

## HOUSE OF REPRESENTATIVES STAFF ANALYSIS

**BILL #:** HB 915 K-20 Education Accountability  
**SPONSOR(S):** Representative(s) Pickens  
**TIED BILLS:** **IDEN./SIM. BILLS:** SB 2296 (I)

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REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
1) <u>General Education (Sub)</u>	<u>7 Y, 0 N</u>	<u>Britton</u>	<u>Bohannon</u>
2) <u>Education K-20</u>	<u></u>	<u>Britton</u>	<u>Bohannon</u>
3) <u>Education Apps. (Sub)</u>	<u></u>	<u></u>	<u></u>
4) <u>Appropriations</u>	<u></u>	<u></u>	<u></u>
5) <u></u>	<u></u>	<u></u>	<u></u>

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### SUMMARY ANALYSIS

#### K-20 Education Performance Accountability System

HB 915 enhances the K-20 education performance accountability system. The bill expands the legislative intent by adding that the system will be a single system with multiple components and will comply with the federal "No Child Left Behind Act of 2001."

The State Board of Education will continue to develop proposals for performance-based funding; however, in doing so, the Board will use the performance measures outlined in the bill, rather than those established by the Legislature. However, there does not appear to be an intent to circumvent the legislatively established requirements for performance-based funding, but rather to enhance the requirements.

For further information on the new timeline established in the bill, refer to the *DRAFTING ISSUES OR OTHER COMMENTS* section of this analysis.

The bill requires the State Board of Education to adopt guiding principles for establishing state and sector-specific standards and measures. Finally, the bill requires the collection of certain data necessary to address the specification of the accountability system.

#### Florida's School Recognition Program

HB 915 expands Florida's School Recognition Program to include schools that do not receive a school grade. The sponsor intends to offer an amendment to remove this section of the bill.

This bill may have a fiscal impact in a number of areas, including state and local government, and the private sector. The details of the potential impacts can be found in the Fiscal Analysis and Economic Impact Statement.

On April 3, 2003, the Subcommittee on General Education recommended two amendments. Amendment 1, is a strike-all amendment, removing the section of the bill that makes changes to the School Recognition Program. Amendment 2, creates a new section of the bill, designating the State Board of Education to conduct a study. Please refer to *IV. Amendments/Committee Substitute Changes* section of the analysis for a full description of the amendments.

This document does not reflect the intent or official position of the bill sponsor or House of Representatives.

**STORAGE NAME:** h0915b.edk.doc  
**DATE:** April 7, 2003

## FULL ANALYSIS

### I. SUBSTANTIVE ANALYSIS

#### A. DOES THE BILL:

- |                                      |                              |                             |   |
|--------------------------------------|------------------------------|-----------------------------|---|
| 1. Reduce government?                | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 2. Lower taxes?                      | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 3. Expand individual freedom?        | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 4. Increase personal responsibility? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 5. Empower families?                 | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |

For any principle that received a "no" above, please explain:

#### B. EFFECT OF PROPOSED CHANGES:

Planning and budgeting in Florida has been undergoing change for some time. Historically, the Legislature has funded offices and departments instead of activities. In 1994, the Legislature passed the Government Performance and Accountability Act of 1994,<sup>1</sup> which established performance-based program budgeting (PB<sup>2</sup>) in statute. Part of the Act required state agencies to submit performance measures as part of their performance-based budget requests. The purpose was to make sure that the money being spent was making a difference. Public schools were one of seven areas scheduled to submit performance-based budgets for fiscal year 1998-1999.

In 1998, the Legislature established the main outcome measure for public schools as student performance (calculated based test scores). Additionally that year, dropout rates, graduation rates and attendance rates were measured. All of this information was compiled into a district progress report and distributed to every district, school, and parent. No state funding implications were based on how a district performs on the district progress report.

The performance-based program budgeting (PB<sup>2</sup>) for public schools was based on student academic performance and was only concerned with outcomes. Since the budgeting process has changed to the Long Range Program Plan (LRPP) process, the Legislature has established performance measures instead of (PB<sup>2</sup>) measures.<sup>2</sup> The terminology has changed but the standards are the same.

In 2001 the Legislature created Florida's K-20 education performance accountability system to assess the effectiveness of Florida's seamless K-20 education delivery system.<sup>3</sup>

This year, the 2003 House appropriations implementing bill provides:

*The agency performance measures and standards in the document entitled "Florida's Budget 2003 Agency Performance Measures and Standards Approved by the Legislature for Fiscal Year 2003-04" dated March 24, 2003, ...are incorporated by reference. Such performance measures and standards are directly linked to the appropriations made in the General Appropriations Act for fiscal year 2003-2004, as required by the Government Performance and Accountability Act of 1994. State agencies are directed to revise their long-range program plans required under s. 216.013, F.S., to be consistent with these performance measures and standards."*<sup>4</sup>

<sup>1</sup> Ch. 94-249, L.O.F.

<sup>2</sup> Sections 186.021; 216.011(1)(z); 216.1815(2)(d)&(e), F.S.

<sup>3</sup> Section 229.007, F.S. in 2001; subsequently changed in 2002 school code rewrite to s. 1008.31, F.S.

<sup>4</sup> HB 1791 Appropriations Implementing Bill, Fiscal Year 2003-2004, Section 60, page 52-53, lines 1538-1549.

HB 915 expands the legislative intent for the K-20 education performance accountability system by adding the following:

- System will be a *single* system with multiple components. The system will include, but not be limited to, measures of adequate yearly progress, individual student learning gains, school grades, and return on investment.
- Compliance with accountability requirements of the federal “No Child Left Behind Act of 2001.”

The legislation also *revises requirements* and the implementation schedule for performance-based funding. The State Board of Education (SBOE) will continue to develop proposals for performance-based funding; however, in doing so, the *SBOE will use the performance measures outlined in the bill, rather than those established by the Legislature*. However, there does not appear to be an intent to circumvent the legislatively established requirements for performance-based funding, but rather to enhance the requirements.

For further information on the new timeline established in the bill, refer to the *DRAFTING ISSUES OR OTHER COMMENTS* section of this analysis.

The bill requires SBOE to adopt guiding principles for establishing state and sector-specific (i.e., K-12, community colleges, workforce, and universities) standards and measures. Two new measures are set for the goal of seamless articulation and maximum access: one is the degree to which underserved populations access educational opportunity; the second is the extent to which access is provided through innovative educational delivery strategies. Additionally, national rankings will be used as an additional measure of the goal of a skilled workforce and economic development.

Finally, the bill requires the collection of certain data, with standards for the data determined by the SBOE, necessary to address the specifications of the accountability system.

HB 915 expands Florida’s School Recognition Program to include schools that do not receive a school grade, and designate the State Board of Education to approve other accountability measures for these schools. In addition, the bill changes the procedure for distributing school recognition funds if the school staff and the school advisory council do not agree. Refer to the *DRAFTING ISSUES OR OTHER COMMENTS* section of this analysis for further information regarding the School Recognition Program.

#### C. SECTION DIRECTORY:

**Section 1:** Amends s. 1008.31, F.S., to expand legislative intent for the K-20 education performance accountability system; to provide requirements and an implementation schedule for performance-based funding; to provide mission, goals, and measures; to require collection of certain data.

**Section 2:** Amends s. 1008.36, F.S., to revise eligibility criteria for participation in the Florida School Recognition Program.

**Section 3:** Provides an effective date.

## II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

### A. FISCAL IMPACT ON STATE GOVERNMENT:

#### 1. Revenues:

None.

#### 2. Expenditures:

Beginning in 2004-2005, local education agencies and institutions of higher education may experience the need to adopt program improvements to earn 10 percent of their state allocation.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

**K-20 Accountability:** The bill does not affect the total expenditure, only the way that the total is distributed. The performance-based budget formula will allocate 10 percent of state funds for education based on performance. This formula will first affect local educational agencies and institutions of higher education in the 2004-2005 fiscal year.

**School Recognition Program:** If the State Board of Education develops criteria soon enough that non-graded schools are included in 2003-2004, the state appropriation will increase \$100 per FTE at each eligible school. If not, the fiscal impact will be delayed until 2004-2005.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

**K-20 Accountability:** If local educational agencies and institutions of higher education respond to accountability and performance-based funding by eliminating programs that do not perform well and by improving others, the students will benefit economically by achieving higher levels of education and increased earnings potential.

**School Recognition Funds:** With the expansion of Florida's School Recognition Program to include schools that do not receive a grade, in addition to the schools that do receive grades, there are a number of teachers and other school staff who receive salary bonuses. In the General Appropriations Act for 2002-2003, the allocation for school recognition was \$122 million.

D. FISCAL COMMENTS:

None.

### III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

2. Other:

The bill does not appear to have constitutional issues.

B. RULE-MAKING AUTHORITY:

The State Board of Education adopts guidelines for the accountability system and performance-based funding. Guidelines adopted by the State Board of Education are interpreted as rules.

C. DRAFTING ISSUES OR OTHER COMMENTS:

**Schedule for Implementation**

The revised schedule for implementing performance-based budgeting is as follows:

December 1, 2003	State Board of Education adopts common definitions, measures, standards, and performance improvement targets. These reporting requirements must be adequate to: <ul style="list-style-type: none"> <li>• Use state core measures and sector-specific measures to evaluate the progress of each sector of the educational delivery system toward meeting the systemwide goals for public education.</li> <li>• Advise the sectors of their progress so that they may develop improvement plans that directly influence decisions about policy, program development, and management.</li> <li>• Implement performance-based budgeting.</li> </ul>
July 1, 2003- June 30, 2004	Department of Education collects data required to establish progress, rewards, and sanctions.
December 1, 2004	Department of Education recommends to Legislature a formula for performance funding that applies accountability standards for the individual components of the public education system at every level, kindergarten through graduate school, to be effective for the 2004-2005 budget year.
2004-2005	Performance funds allocated based on progress, rewards, and sanctions.

This schedule might prove difficult to implement, due to the fact that the Department of Education begins collecting data before the State Board of Education has adopted common definitions, measures, standards, and performance improvement targets. The process could possibly be made to be more workable by first establishing the definitions, measures, standards and targets by December 1, 2003 and then collecting data from July 1, 2004 – June 30, 2005. This delays the full implementation of the system by one year, but appears to be a more logical, workable system.

Furthermore, the proposed schedule in the bill does not make a recommendation to the Legislature until December 1, 2004 although data collection was complete at the end of June that same year. Legislative committee meetings start in the fall of the year; thus, the recommendations need to be made to the Legislature in the fall.

### **School Recognition Program**

The sponsor of the bill intends to offer an amendment to remove Section 2 relating to the Florida School Recognition Program from the bill.

## **IV. AMENDMENTS/COMMITTEE SUBSTITUTE CHANGES**

On April 3, 2003, the Subcommittee on General Education recommended two amendments. Amendment 1, removes the language of the bill that makes changes to the School Recognition Program. Amendment 2, creates a new section of the bill and calls for the State Board of Education to conduct a concordance study to determine if there is any equivalence between the scores a student receives on the PSAT (formerly Preliminary Scholastic Assessment Test), SAT (formerly Scholastic Assessment Test), ACT (formerly American College Test), PLAN (a preliminary ACT test), and the College Placement Test to those required on the Florida Comprehensive Assessment Test (FCAT) for high school graduation. In cases where such equivalencies can be determined, the State Board is authorized to adopt those scores as meeting the graduation requirement in lieu of the FCAT cut score. The bill, as amended, was reported favorably out of committee with a vote of 7 Yeas and 0 Nays.