

Senate Fiscal Agency
P. O. Box 30036
Lansing, Michigan 48909-7536

SFA**BILL ANALYSIS**

Telephone: (517) 373-5383
Fax: (517) 373-1986
TDD: (517) 373-0543

Senate Bills 368 and 369 (as introduced 4-2-03)
Sponsor: Senator Shirley Johnson (S.B. 368)
 Senator Bev Hammerstrom (S.B. 369)
Committee: Education

Date Completed: 4-3-03

CONTENT

The bills would amend the Revised School Code and the State School Aid Act to eliminate the mandated State school accreditation process for public schools, and the penalties resulting from lack of State accreditation. A more detailed description of each bill follows.

Senate Bill 368

The bill would repeal Section 1280 of the Revised School Code, which requires that every public school be accredited by the State Board of Education or face penalties. Section 1280 defines "accredited" to mean certified by the State Board as having met or exceeded State Board-approved standards established for six areas of school operation: administration and school organization, curricula, staff, school plant and facilities, school and community relations, and school improvement plans and student performance. Schools failing to be accredited for three consecutive years are subject to at least one of four corrective measures or penalties, which include permitting parents to send their children to an accredited school within the district, or closing the school.

Other sections of the Code specify five additional requirements a school must meet in order to be accredited:

- All students in grades one to five must take yearly assessments.
- Each school must prepare and submit a three- to five-year school improvement plan that includes a mission statement, academic goals, strategies to accomplish the goals, assessment methods to measure the goals, and other information. Intermediate school districts also must submit a three- to five-year improvement plan.
- School boards must develop a core academic curriculum for their pupils at the elementary, middle, and secondary school levels; align each school's instructional program with that curriculum; and offer the curriculum to their pupils in a manner assuring that they have a realistic opportunity to earn a State-endorsed diploma.
- School boards must submit to the State Board by September 1 of each year an annual report with information about their accreditation status, school improvement plan, core academic curriculum, testing data, postsecondary course enrollment information, parent-teacher conference participation rates, and other information.
- All of the applicable information contained in a school's report must be disaggregated by gender.

The bill would retain these requirements, but require schools to meet them in order to avoid a reduction in funding under Section 19 of the State School Aid Act (which Senate Bill 369 would amend), rather than to earn State accreditation.

Senate Bill 369

The bill would amend Section 19 of the State School Aid Act to eliminate the funding penalties schools currently face if they have not earned State accreditation. Currently, if a school in a district is not accredited under Section 1280 of the Revised School Code, or is not making satisfactory progress toward meeting the standards for that accreditation, the Department of Education must withhold 5% of the total funds for which the district qualifies under the Act that are attributable to pupils attending that school. The Department must place the withheld amount in an escrow account and not release the funds to the district until it submits to the Department a plan for achieving accreditation for each of the district's schools that are not accredited, or are not making satisfactory progress toward meeting the standards for accreditation. The bill would eliminate these provisions.

Section 19 of the Act requires that a district comply with the requirements of the Revised School Code for annual reporting, school improvement plans, core academic curricula, and State accreditation. The bill would delete the requirement that schools comply with State accreditation procedures, but would require schools to comply with the remaining provisions in order to avoid a reduction in funding under Section 19.

The Act also specifies that instructional programs operated by public universities for students in grades K-12, in any combination of grades, must comply with the same provisions of the Code as those for public schools, if the programs are to receive funding as a district. The bill would delete the requirement that these programs seek State accreditation

Finally, the Act appropriates \$2 million for fiscal years 2002-2003 and 2003-2004 to the Department of Education to provide technical assistance to districts for school accreditation purposes as described in Section 1280 of the Revised School Code. The bill would delete the requirement that the Department spend the funds on assistance to districts for school accreditation, and instead require that the funds be spent on helping districts meet adequate yearly progress requirements under the Federal No Child Left Behind Act.

MCL 380.1204a et al. (S.B. 368)
388.1619 et al. (S.B. 369)

Legislative Analyst: Claire Layman

FISCAL IMPACT

The State could realize minimal savings by the possible elimination of those employees who currently monitor whether districts are meeting State standards for accreditation. However, under the No Child Left Behind Act (NCLB), the State still would be required to develop State standards for what a child should know and learn by all grades, and to test every student in grades 3-8 by 2005-06. It is conceivable, however, that these Federal mandates could translate into increased use of Federal administrative funding to support Department of Education full-time equated employees (FTEs) doing the curriculum and testing guidelines, and elimination of State-funded FTEs who currently work on State accreditation activities. At most, approximately \$492,000 could be saved by eliminating State funding of curriculum development FTEs, if they could then be funded with Federal dollars exclusively and not be considered "supplanting" (which is the unallowable use of Federal funds for the same activities as were previously undertaken with State funds).

On the local side, eliminating the State standards for accreditation would yield anticipated savings to districts that otherwise will strive for State accreditation under current law, although it is not possible to quantify the amounts. Savings would occur because districts would have to worry only about making adequate yearly progress (AYP) to satisfy the Federal guidelines under NCLB, rather than the additional requirements under State accreditation. These requirements for State accreditation, in addition to student achievement, include such items as the following:

- Developing an individual educational plan for all high school students, leading them to being prepared for success.
- Encouraging coordination between early childhood and kindergarten programs in order for the school to receive credit for extended learning opportunities.
- Encouraging the provision of arts and humanities education, and enrichment of cultural life for all students, in order for the school to receive additional credit toward becoming accredited.
- Demonstrating how schools reach out to involve every family in a significant and meaningful way.
- Developing and using individual four-year education and employment plans for each student.
- Providing school facilities' data to the Center for Educational Performance and Information (CEPI).

Again, the fiscal impact on each school district would vary as to how extensively it was planning to fulfill the State accreditation requirements, in order to achieve State accreditation, and how much the district would forego those activities without a State accreditation system in place.

The elimination of the penalty phase for unaccredited or unsatisfactory progress toward accreditation would not have an impact on local school districts, because it has never been invoked.

Fiscal Analyst: Kathryn Summers-Coty