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ACT 35, NEW SCHOOL PERFORMANCE RATINGS, AND SCHOOL CHOICE

SUMMARY POINTS

- Performance Levels are a better measure of a school's student achievement than just percent proficient or advanced as they address the entire distribution of students
- Under current scores, fiscal cost of transporting students to schools of choice are very low since so few students would qualify. Of the seven schools predicted to be Level 1, six are ALEs and the other is the Arkansas School for the Deaf.
- These standards may be too low. For example, a school could have 15% of students proficient, 45% Basic, and 40% below basic and still not be classified as failing.

Act 35 was a product of the Lakeview v Huckabee case and the related Extraordinary Legislative Session. The law § 6-15-2101 of the Arkansas code required the establishment of three school ratings: a rating of the school's current academic performance (or status), a rating of the school's academic improvement (see [the OEP policy brief on the new improvement rating](#))¹, and a rating based on the school's fiscal practices. The first set of improvement scores were reported based on the standardized tests administered in spring of 2007 and 2008. The first ratings based on current academic performance are to be based on the 2009-2010 school year, but these ratings have not yet been released to the schools or public as of this writing. In this policy brief, we describe the guidelines shaping this new school rating.

The performance ratings are defined in School Annual Performance Category Levels² in the Arkansas code. The ratings are based on the Arkansas Comprehensive Testing, Assessment and Accountability Program (ACTAAP) and range from a low of Level 1 to a high rating of Level 5. The ratings method produces a measurement very similar to the Adequate Yearly Progress (AYP) rating that has resulted from the federal No Child Left Behind Act.

Importantly, the Arkansas Opportunity Public School Choice Act of 2004 (part of ACT 35), or the AOPSCA, mandates that students in schools receiving the lowest performance rating for two years in a row be given the opportunity to transfer out of the low-performing school if they so choose. As a result, in this brief, we also develop our own estimates of school performance ratings based on the guidance provided by ADE documents and based on the school performance of all schools in the state in 2009-2010. By doing this, we can provide an estimate of how many schools will have students eligible for the school choice option

IMPLICATIONS OF SCHOOL PERFORMANCE RATINGS

The Arkansas Opportunity Public School Choice Act of 2004 provides for both rewards and sanctions based on the school's performance. A school which receives a performance category rating of Level 4 or Level 5 and an improvement category rating of at least Level 3 qualifies under the Arkansas School Recognition Program § 6-15-2107 for performance-based funding in the amount of "one hundred dollars (\$100) per student who participated in the school's assessment program." Likewise, a school which receives an improvement performance rating of Level 4 or Level 5 also qualifies for the same

¹ http://www.uark.edu/ua/oep/policy_briefs/2009/ADE_Gains_Score_20090403.pdf

² A.C.A. §6-15-2103. (2010)



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performance-based funding. "All schools meeting both criteria shall receive rewards for both categories." Per the law, schools may spend the money in the following manners:

1. Nonrecurring bonuses to the faculty and staff
2. Nonrecurring expenditures for educational equipment or materials to assist in maintaining and improving student performance
3. Temporary personnel for the school to assist in maintaining and improving student performance

If a school has 550 students, the reward would total \$55,000 for meeting the requirements in one category or \$110,000 for meeting the requirements in both. The rewards to schools for meeting these standards can be significant.

The law also provides consequences for low-performing schools. If a school "received an annual performance category level of level 1 for two (2) consecutive years, the students in these schools shall be offered the opportunity public school choice option...."³ This provision provides an escape clause for students residentially assigned to consistently low performing schools.

Perhaps because of the concern that low-income students would not be able to take advantage of the transfer policies, the law specifies that the state will be responsible for providing transportation to the chosen district. The state will continue to pay the costs of transportation until such time as the student graduates or the student's residentially assigned school earns a Level 3 rating. Additionally, if the receiving school district requires "temporary facilities or faculty" due to transfers under the AOPSCA, the cost in excess of that received for each AOPSCA student "shall be borne by the state."⁴

Even though Arkansas law states the School Rating System is supposed to go into effect with the 2009-2010 school year, the state has not yet released this first set of performance category levels. In order to get an idea of the impact this law will have on Arkansas, we created estimates based on available information. The school annual performance category levels are derived from a school "grade point" which is itself based on student performance. The "grade point" is basically a weighted average of the students' performance

on the benchmark and end-of-course (EOC) exams. The performance levels are assigned based on a set of cut scores on each school's "grade point." For our estimates, we used all available benchmark and EOC exams: algebra, geometry, biology, and 11th grade literacy. If a school had gave both benchmarks and EOC exams, these were computed as separate scores for the school.

WHAT ARE THE PERFORMANCE CATEGORIES?

The performance categories are based on a weighted average "grade point" determined by students' scores on the benchmark and EOC tests. The points received for each test are shown below:

Category	Points Assigned for Each Test
Advanced	4
Proficient	3
Basic	2
Below Basic	1

A school in which every benchmark score was Below Basic would earn a "grade point" of 1.00. If half the scores were Basic and half were Proficient, the "grade point" would be 2.5. If each student earned a proficient score, the school score would be a 3.00, and so on.

The school's **Performance Category** is given based on the performance "grade point", according to the table below.

Cut Scores	Performance Category	Level
3.23 - 4.0	School of Excellence	5
2.79 - 3.22	Exceeding Standards	4
2.21 - 2.78	Meeting Standards	3
1.719 - 2.20	Approaching Standards (alert)	2
1.0 - 1.718	In Need of Immediate Improvement	1

Based on information from the ADE's "Understanding the 2009 Arkansas School Performance Report"

³ A.C.A. § 6-15-2103. (2010)

⁴ § A.C.A. 6-18-227 (d)(2). (2010)

RESULTS THUS FAR?

Based on the cut scores established by the ADE, very few schools should be labeled as Level 1 schools. For a school to have a "grade point" below 1.719, at least 30% of its students would have to be in the Below Basic category, assuming the remaining scores were in the Basic category. Because of this relatively low threshold, it seems safe to say that a school ranked at Level 1 is not serving students well.

We gathered benchmark assessment results for all Arkansas schools from 2009-2010 and computed each school's performance rating based on the guidelines described above. We assumed that these performance categories would be based on student performance from ALL relevant exams, including all high school end-of-course (EOC) exams as well as the benchmark exams given to all students in grades 3-8. The table below presents our results:

Level	Performance Category	Cut Scores	Number of Schools ⁵	% of Schools in AR	Number of Students	% of Students in AR
5	School of Excellence	3.23 - 4.0	234	22.52%	101,654	22.85%
4	Exceeding Standards	2.79 - 3.22	450	43.31%	186,175	41.86%
3	Meeting Standards	2.21 - 2.78	315	30.32%	139,835	31.44%
2	Approaching Standards (alert)	1.719 - 2.20	33	3.18%	16,215	3.65%
1	In Need of Immediate Improvement	1.0 - 1.718	7	.67%	928	.21%

Based on our estimates, seven Arkansas schools would be in the Level 1 performance category for 2009-10. With the exception of the Arkansas School for the Deaf, all of these schools are alternative learning environments. There are 15 other schools in Arkansas with estimated "grade points" of 2.00 or below. These schools have a total enrollment of 5,835 students.

COSTS ASSOCIATED WITH ACT 35 AND AOPSCA

Many fear that the AOPSCA choice provision of Act 35 has the potential to be costly for the state's education budget based on the possibility of additional transportation costs and of temporary facilities and staffing costs in receiving schools. However, at this point, there are likely only a handful of schools that would fall in the Level 1 (low-performing) category.

Also due to Act 35, the state may need to find the funds to award bonuses defined in the Arkansas School Recognition Program § 6-15-2107. Based on our estimates of 2009-2010 Performance Categories and 2008-2009 Growth Indexes for grades 3-8 released by the state, the total performance bonuses earned, just for schools serving grades 3-8, would be approximately \$19,624,000. We were unable to obtain Growth Indexes for high schools at this time. Of course, this financial obligation will only increase once high schools are included.

We will have to wait and see if and how the state can support these additional costs during the current economic climate. Our policymakers may have to make the difficult choice between rewarding schools that are currently serving students well and providing additional public school options for students currently assigned to very low-performing schools.

For more information about this policy brief, please contact the Office for Education Policy at oepe@uark.edu

⁵ Data were unavailable for 17 schools due to ADE reporting restrictions. Data also does not include schools which serve k-2 only.