

# Department of Planning and Budget 2001 Fiscal Impact Statement

1. **Bill Number** HB7

**House of Origin**  Introduced  Substitute  Engrossed  
**Second House**  In Committee  Substitute  Enrolled

2. **Patron** Purkey

3. **Committee** Education

4. **Title** Independent analysis of school performance.

5. **Summary/Purpose:** This bill directs the Board of Education, to supplement and enhance the accreditation process, to contract with a person, organization, or corporation with expertise in school evaluation for the purpose of conducting an annual independent analysis and evaluation of school performance for each public school division in the Commonwealth. The contract for services shall provide for, among other things, (i) the use of performance variables that shall include various academic, financial, and demographic indicators; (ii) comparative benchmarks among school divisions; (iii) annual reporting to each school division of its performance and areas requiring improvement; (iv) identification of performance trends over time and best practices; and (v) recommendations for technical assistance, remediation, intervention, and other measures to improve school performance.

6. **Fiscal Impact:** (See 8.)

7. **Budget amendment necessary:** Yes. Item #138.

8. **Fiscal implications:** This bill requires the Board of Education to contract for an annual independent analysis and evaluation of school performance for each public school division in the Commonwealth. The contract will provide for: (1) the use of performance variables; (2) comparative benchmarks among school divisions; (3) annual reporting to each school division of its performance and areas requiring improvement; (4) identification of performance trends over time and best practices; and (5) recommendations for technical assistance, remediation, intervention, and other measures to improve performance.

Standard and Poor's (S&P) currently offers a program called State Evaluation Services (SES), which provides an analysis of school performance. S&P works with states to provide independent analysis and supporting data for schools; therefore, it is a viable entity, with which the Board of Education could contract for services. Preliminary estimates indicate that contract costs could be anywhere from \$1 million to \$2.5 million per year in each year of the 2002-2004 biennium. For example, S&P's current contracts with Michigan and Pennsylvania are about \$2.5 million per year.

9. **Specific agency or political subdivisions affected:** Board of Education, possibly Department of Education, school divisions.

10. **Technical amendment necessary:** No.

11. Othercomments:None.

**Dte:** 01/14/02/acd

**Document:H:** \BOS\K12Legislation \2002Session \CompletedBills \HB7.doc.

cc:SecretaryofEducation

SecretaryofFinance