

**FINAL REPORT  
OF THE  
INTERIM STUDY COMMITTEE  
ON  
EDUCATION ISSUES**



**Indiana  
Legislative Services Agency  
200 W. Washington St., Suite 301  
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**November, 2002**

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# **Interim Study Committee on Education Issues**

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**November, 2002**

A copy of this report is available on the Internet. Reports, minutes, and notices are organized by committee. This report and other documents for this Committee can be accessed from the General Assembly Homepage at <http://www.state.in.us/legislative/>.

## **FINAL REPORT**

### **Interim Study Committee on Education Issues**

#### **I. LEGISLATIVE COUNCIL DIRECTIVE**

The Legislative Council directed the Committee to do the following:

1. Study various education issues, including the effects of academic standards and accountability laws on public schools, differences in average achievement levels, resources that would enable students to meet proficiency standards, issues relating to the Graduation Qualifying Exam and Indiana's special education population, and national board certified teachers.
2. Study ISTEP testing procedures.
3. Study the educational services to expelled students.

#### **II. INTRODUCTION AND REASONS FOR STUDY**

##### 4. Various Education Issues

The study is based on HCR 64-2002. HCR 64-2002 requests the study committee to study at least the following issues.

- a. The effect of P.L.221-1999 and P.L.146-1999 on Indiana's public schools, particularly as those public laws relate to issues of poverty, minority status, limited English proficiency, and special education.
- b. The various differences in average achievement levels at all grade levels and among and between various subgroups of students, identified through the disaggregation of ISTEP score results.
- c. The resources that would best enable students who do not demonstrate the requisite proficiency of standards to, in a reasonable period of time, reach the standards.
- d. Issues relating to the administration of the Graduation Qualifying Exam and Indiana's special education population.
- e. The National Board Certified Teachers program in Indiana.

##### 5. ISTEP Testing Procedures

The study is based on HR 64-2002. HR 64-2002 requests the study committee to study all ISTEP testing procedures, including, but not limited to, costs to the State, frequency of testing, grade levels of testing, reporting and timing of results, and timing of the testing.

##### 6. Educational Services to Expelled Students

The study is based on SR 19-2002. SR 19-2002 requests the study committee to study the methods and programs to provide educational services to expelled students, including funding for such programs.

### **III. SUMMARY OF WORK PROGRAM**

The Committee met three times. Testimony was presented during each of the three meetings. The Committee approved the report at the last meeting.

August 27<sup>th</sup> - The Committee received testimony on Indiana's performance on the 2002 SAT test, funding of charter schools, and issues relating to the Graduation Qualifying Examination and special education students.

September 9<sup>th</sup> - The Committee received testimony on the federal No Child Left Behind statute, Indiana's achievement gap, and closing the achievement gap.

October 7<sup>th</sup> - The Committee received further testimony on closing the achievement gap, services to expelled students, National Board Certification of teachers, and an education adequacy study done by Augenblick & Myers Consulting. The Committee discussed and approved the final report.

### **IV. SUMMARY OF TESTIMONY**

#### **1. 2002 SAT Tests Results for Indiana**

Terry Spradlin, Department of Education, provided information on Indiana's performance on the 2002 SAT test. The percentage of students taking the test increased by 2%, and the average math score increased by two points. The average verbal score decreased by one point.

#### **2. Charter School Funding**

Patty Bond, Department of Education, provided information on the currently approved charter schools. She told the Committee that 10 of the 11 approved charter schools had provided information. The charter schools serve about 1,362 students from 59 school corporations. The state will send \$1,987,678 to charter schools for the last six months of CY 2002.

Dr. Pat Pritchett, Superintendent of Indianapolis Public Schools, told the Committee that charter schools have about a \$3 million fiscal impact on his school and caused a reduction of about 50 elementary teachers.

Kay Gill and Addie King, parents of children at Flanner House Elementary School, voiced support for charter schools.

Barbara Burke-Fondren, Community Montessori Inc., discussed her school's development from a private school to a charter school.

Chuck Little, Indiana Urban Schools Association, told the Committee that charter schools funding should not affect the funding of other public schools.

Maureen Jayne, State Parent Teachers Association, provided the Committee with her association's position on charter schools. She told the Committee that charter schools should not negatively impact other public schools.

Gail Zeheralis, Indiana State Teachers Association, expressed her organization's support for charter schools and their willingness to help find solutions to the funding problems. She suggested a moratorium on new charters and that sponsors pay the local share of funding for charter schools.

Terry Spradlin, Department of Education, provided information on federal funding of charter schools. The state applied for a federal grant and will receive \$1.6 million the first year, \$3.6 million the second year, and \$6.7 million the third year to assist charter schools.

Roger Thornton, Indiana Association of School Superintendents, explained five issues in funding charter schools. The issues are the insertion of a charter school funding component in the school formula, the impact of students who did not attend the public school the prior year, the impact of charter schools on the tuition support appropriation, the impact of different splits of state and local formula funding, and the cost differential between elementary and high school.

Lowell Rose told the Committee that the majority of schools affected are urban schools.

Mike Malone, Timothy L. Johnson Academy, provided several articles on charter schools. He told the Committee that borrowing is a problem for a new charter school.

Kevin Teasley, 21st Century Charter School, told the Committee that 75% of his students qualify for free or reduced lunch, and he believes charter schools have greater parental involvement.

Cynthia Diamond, Flanner House Elementary School, explained how her school is a school of tradition and has historically had a good working relationship with Indianapolis Public Schools.

### 3. Administration of the Graduation Qualifying Examination and Special Education

Bob Marra, Special Education Director for the Department of Education, provided information on the number and percentage of special education students receiving a certificate of completion or a diploma. The diploma numbers were further broken down by academic honors, core 40, regular by passing the graduation qualifying examination, and regular by the waiver process.

Amy Cook Lurvey, Council of Volunteers & Organizations for Hoosiers with Disabilities Inc., told the Committee that expectations have been raised and progress has been made, but more work is needed.

#### 4. No Child Left Behind Statute

Dr. Suellen Reed, Superintendent of Public Instruction, provided information on her trip to meet with President Bush regarding education standards and accountability.

Elizabeth Fay, Legislative Assistant for Education for Senator Evan Bayh, discussed the history of the federal involvement in funding education. She discussed Indiana's funding allocation under the No Child Left Behind Act and how the act consolidated several competitive grants into broad funding streams.

Jeff Zaring, Department of Education, provided analysis and implications of the No Child Left Behind Act on Indiana. By the end of the 2005-06 school year every teacher and paraprofessional must be highly qualified. Schools must demonstrate adequate yearly progress, and by the 2012-13 school year all students must reach a proficient level of achievement. Mr. Zaring provided information on how the state's accountability system, P.L. 221, compares to the No Child Left Behind Act.

#### 5. Academic Achievement Gap

Terry Spradlin and Wes Bruce from the Department of Education provided information on the academic achievement gap in Indiana. The data included Indiana's performance on the ISTEP test, SAT test, the National Assessment of Educational Progress test, the Third International Mathematics and Science Study, graduation rates, and the number of core 40 diplomas. The information, when possible, was subgrouped by ethnicity and poverty.

#### 6. Closing the Achievement Gap

Dr. Pat Pritchett, Superintendent of Indianapolis Public Schools, explained his schools' involvement with the National Urban Alliance.

Eric J. Cooper, National Urban Alliance, told the Committee that it is important not to expect failure and that all students should be prepared to attend college if they choose to attend.

Dr. Yvette Jackson, National Urban Alliance, explained that reading is the "unlocking of frozen thought" and that it is important to be able to understand the message the author is communicating.

Marilyn Zaretsky, National Urban Alliance, provided information on the Vanguard project being used by the Indianapolis Public Schools and her organization.

Dr. Donna Ogle, International Reading Association, told the Committee that teachers need a lot of support and training.

Senator C. J. Prentiss (OH), Chairperson of the Committee on Elementary and Secondary Education for the National Black Caucus of State Legislators, provided information on the work done by the caucus to identify strategies to eliminate the academic achievement gap. The strategies are:

- a. Develop and support progress designed to promote high academic standards that all students are expected to meet, and create the instructional environments that will give students the opportunity to meet them.
- b. Support programs that reduce class size, and support prevention-intervention approaches.
- c. Develop sound policies that address the quality of entering teachers and the ongoing training of veteran teachers and educational support personnel.
- d. Fund programs identified in research that are effective in raising the achievement of African-American students and decreasing the achievement gap between urban and suburban students.

Senator Prentiss also provided information on the campaign, Ohio Close the Gap Campaign: Building Shared Responsibility, in Ohio to close the achievement gap. She told the Committee it is important that teachers be provided the resources and tools to teach students.

#### Education Adequacy Study

John Meyers, Augenblick & Meyers, described the adequacy study his organization did for the Indiana State Teachers Association. The study used the “professional judgement” model to estimate the resources and associated cost so 80% of Indiana students would be proficient on ISTEP+.

#### Educational Services to Expelled Students

Bill Dreibelbis, Indiana Council of Administrators of Special Education, described the report done by the council’s Committee on Alternatives to Suspension & Expulsion. He told the committee that it is important for students to know the rules of behavior in school.

Dr. Jacquelyn Clency, Director of Alternative Education for the Indianapolis Public Schools, described the programs the Indianapolis Public Schools offer to expelled students.

Gaylon Nettles, State Attendance Officer for the Department of Education, informed the Committee about information on the Department’s website.

Cathy Graham, IARCCA, An Association of Children & Family Services, provided information on programs for expelled students in Indiana.

Don Holderman, Muncie Community Schools, provided information on the services provided to expelled students at the Muncie Youth Opportunity Center.

Jim Killen, Indiana Youth Services Association, expressed his organization’s concerns about the current expulsion process.



Roger Thornton, Indiana Association of School Superintendents, told the Committee that there is not a large increase in expulsions immediately after the student count date. He also requested that, if the revenue follows the expelled student, that it be based on a per day basis.

#### The National Board Certified Teachers Program in Indiana

Dr. Linda Hauser, Dean of Education at Indiana University, provided the Committee with information on the National Board of Certification program.

### **V. COMMITTEE FINDINGS AND RECOMMENDATIONS**

The Committee made the following findings of fact:

#### **Charter School Funding:**

1. As of September 4, 2002, 11 charter schools were authorized in Indiana, 10 of which became operational for the 2002-03 school year.
2. Enrollment in charter schools is at 1,362 students who collectively reside in 59 different school corporations.
3. Nine of the 11 charter schools are non-conversion charter schools, and 2 are conversion charter schools.
4. Charter school sponsors include:
  - a. School corporations (2)
  - b. Mayor of Indianapolis (5)
  - c. Ball State University (4)
5. Based upon an Attorney General's opinion (Op. No. 2002-02), the Indiana Department of Education (DOE) began making state payments to charter schools in July 2002 based upon their enrollment projections—totaling approximately \$1.9 million for the last 6 months of CY 2002. Beginning February 2003, the DOE will redirect funds to charter schools from the school funding formula distributions attributable to the 59 different school corporations where the charter school students reside.
6. School corporations in which non-conversion charter schools are located can realize a loss of state and local revenues for students who reside in the school corporation, but who have never been enrolled in the school corporation.
7. School corporations that are “minimum guarantee” school districts—that is, under the school funding formula, the district qualifies for a minimum guaranteed percentage increase (currently 2%) from its prior year revenue (considered to be the minimum increase from one year to the next required for a school district to implement its programs without regard to enrollment shifts)—can end up receiving less than the minimum guarantee to operate its program due to the funding of a charter school program in its district. An example of how this occurs follows:
  - a. There are four non-conversion charter schools located in the Indianapolis Public Schools (IPS) school district.

- b. About \$3 million for CY 2003 will be redirected from IPS schools to the non-conversion charter schools.
  - c. IPS is a “minimum guarantee” school district.
  - d. The \$3 million (described in “b” above) is applied *after* the minimum guarantee provision attaches, resulting in IPS receiving an amount that is \$3 million *less than* the minimum guaranteed amount to operate its educational program.
  - e. As a result, IPS reduced its teacher force by 50 teachers (achieved through non-replacement of exiting teachers).
8. Securing capital funding and loans by charter schools can be problematic. Charter schools may be granted capital projects funds at the discretion of a sponsoring school corporation.
  9. The DOE has received a 3-year federal grant totaling \$11.8 million for charter school planning and professional development.

### **Special Education and the Graduation Qualifying Exam:**

1. Exact tracking of students (through the assignment of student testing numbers) begins next year—until then, results generated from a DOE survey do not represent a complete picture.
2. From the survey results, respondents indicate that 79% of special education students in the class of 2002 received a diploma, 42% of special education students passed the Graduation Qualifying Exam, and 25% of special education students received their diploma through the waiver process.

### **Elementary and Secondary Education Act (ESEA) - 2001 Reauthorization:**

1. ESEA requires:
  - o Annual testing in Grades 3-8 and once in Grades 9-12.
  - o Schools demonstrate improvements in the achievement of state academic standards by all student socio-demographic subgroups (race/ethnicity, disadvantaged (poverty), disability, and limited English proficient).
  - o All students achieve proficiency of the state’s academic standards by 2012.
  - o Corrective action be taken for schools and school corporations not demonstrating the requisite adequate yearly progress.
2. Reconciliation between ESEA and the provisions of Indiana’s standards and accountability laws is being pursued at the state level on several issues, including the following:
  - o Determining what constitutes adequate yearly progress over the next 12 years to satisfy ESEA requirements.
  - o Providing testing at every grade level between Grades 3 and 8 and once in Grades 9-12 for English and Mathematics and provisions for science testing and English language proficiency alternative testing.
  - o Determining the “base year” for implementing accountability measures.
  - o Ensuring that all teachers are “highly qualified” in Title I schools.
  - o Ensuring that all paraprofessional staff are “highly qualified” in Title I schools.

### **Achievement Gap:**

1. Data compiled by the DOE demonstrates differences in the levels of academic achievement for each of the following student socio-demographic factors:
  - a. Income (as evidenced through the free/reduced price lunch eligibility standard).
  - b. Race/ethnicity.
  - c. English language proficiency.
  - d. Disability.
2. For Grades 3, 6, 8, and 10, the rate of students achieving proficiency of the state's academic standards in English/language arts for students who are eligible for free/reduced price lunches range from 24% to 29% less than that of students who are not eligible for free/reduced price lunches.
3. For Grades 3, 6, 8, and 10, the rate of students achieving proficiency of the state's academic standards in mathematics for students who are eligible for free/reduced price lunches range from 19% to 30% less than that of students who are not eligible for free/reduced price lunches.
4. For Grades 3, 6, 8, and 10, the rate of students achieving proficiency of the state's academic standards in English/language arts for Black students range from 25% to 36% less than that of Caucasian students.
5. For Grades 3, 6,8, and 10, the rate of students achieving proficiency of the state's academic standards in mathematics for Black students range from 23% to 40% less than that of Caucasian students.
6. For Grades 3, 6, 8, and 10, the rate of students achieving proficiency of the state's academic standards in English/language arts for Hispanic students range from 15% to 24% less than that of Caucasian students. *[NOTE: Because only language proficiency levels 4 and 5 are required to take ISTEP+, the rate of proficiency of the state's academic standards by Hispanic students does not include those students at language proficiency levels 1-3.]*
7. For Grades 3, 6, 8, and 10, the rate of students achieving proficiency of the state's academic standards in Mathematics for Hispanic students range from 13% to 24% less than that of Caucasian students. *[NOTE: Because only language proficiency levels 4 and 5 are required to take ISTEP+, the rate of proficiency of the state's academic standards by Hispanic students does not include those students at language proficiency levels 1-3.]*
8. For Grades 3, 6, 8, and 10, the rate of students achieving proficiency of the state's academic standards for English/language arts for limited English proficient students (at level 4 or 5) range from 25% to 42% less than that of students who are not limited English proficient. *[NOTE: Because only language proficiency levels 4 and 5 are required to take ISTEP+, the rate of proficiency of the state's academic standards by limited English proficient students does not include those students at language proficiency levels 1-3.]*
9. For Grades 3, 6, 8, and 10, the rate of students achieving proficiency of the state's academic standards for Mathematics for limited English proficient students (at level 4 or 5) range from 21% to 34% less than that of students who are not limited English proficient. *[NOTE: Because only language proficiency levels 4 and 5 are required to take ISTEP+, the rate of proficiency of the state's academic standards*

*by Hispanic students does not include those students with language proficiency levels 1-3.]*

10. For Grades 3, 6, 8, and 10, the rate of students achieving proficiency of the state's academic standards for English/language arts for general education students range from 38% to 55% less than that of special education students.
11. For Grades 3, 6, 8, and 10, the rate of students achieving proficiency of the state's academic standards for Mathematics for general education students range from 32% to 50% less than that of special education students.
12. For all socio-demographic subgroups of students, many students do achieve proficiency of the state's academic standards.
13. The data does not yet demonstrate the confounding of variables, i.e. the interactions of poverty, language proficiency, race, etc.
14. Subject to adequate support, resources, and funding, there are programs, curricula, and services that have demonstrated improvement in student achievement.
15. Ohio's achievement gap data based upon ethnicity is similar to that demonstrated in Indiana.
16. Ohio is currently implementing a statewide "Close the Gap" campaign to inform its citizens of the achievement gap that exists in Ohio and to foster shared responsibility to close the gap among elected officials, school officials and teachers, parents, and communities.
17. The Ohio General Assembly passed Senate Bill 1 which, in part, requires:
  - a. Student intervention services commensurate with the student's test performance;
  - b. Intervention services to students whose diagnostic assessments show that they are failing to make satisfactory progress towards attaining the academic standards;
  - c. That each student who completes Grade 4 without attaining a particular score on the state test be offered intense remediation services and another opportunity to take that test during the summer following Grade 4.

#### **Educational Services for Expelled Students:**

1. Schools are required to provide services to expelled special education students.
2. The Indiana Council of Administrators of Special Education has developed a report outlining alternatives to suspension and expulsion of special education students.
3. Possession of a dangerous weapon is the only offense that requires a one-year expulsion of a student. Zero tolerance for dangerous weapons also is a federal law.
4. Several school districts provide services to expelled students through school funding, community partnerships, or other grants.

#### **Adequate Funding:**

1. Augenblick & Myers, Inc., a nationally recognized school finance consulting firm, conducted a standards-based school finance study on the cost of providing an adequate education in Indiana in 2001-2002.
2. This study was based upon the "professional judgment" model which asks panels of experts to identify the resources necessary for prototype schools to enable a set percentage of students (in this case, 80%) to reach the state's academic standards. Augenblick & Myers then puts a dollar amount to those resources.

3. Base per pupil costs recommended by the study are as follows:  
\$7,365 (small school district); \$7,142 (average-size school district); \$7,094 (large school district)
4. Added costs per special education pupils are as follows (on average):  
\$7,522 (small school district); \$8,115 (average-size school district); \$8,273 (large school district)
5. Added costs per hard-to-serve student are as follows (on average):  
! \$4,152 (small school district); \$5,284 (average-size school district); \$ 5,668 (large school district if over 30% of student population identified as hard-to-serve) and \$5,875 (large school district with less than 30% hard-to-serve)
6. These recommendations total in new money approximately \$1.3 billion dollars.

**National Board Certification:**

1. Currently, North Carolina has more than 3,661 National Board Certified teachers, with 1,261 that became certified in 2001
2. The National Board for Professional Teaching Standards surveyed participants in the National Board Certification and found:
  - ! Ninety-one percent said that the National Board Certification has positively affected their teaching practices.
  - ! Sixty-nine percent reported positive changes in their students; engagement, achievement, and motivation.
  - ! Eighty percent said the process was better than other professional development experiences.

The Interim Study Committee on Education Issues recommends PD3580 for consideration by the General Assembly. The motion to recommend was approved by the Committee by voice vote. PD 3580 provides for the following:

The statutory establishment of an independent commission, called the Indiana Commission for Superior Academic Achievement by All Students.

This Commission shall be comprised of 32 members--8 appointed by each of the four legislative caucus leaders.

Members should represent education and minority concerns.

Additionally, the Governor, Lt. Governor, Superintendent of Public Instruction, and Commissioner for Higher Education shall be ex-officio members of the Commission.

The chairperson shall be jointly appointed by the four legislative caucus leaders.

The Commission shall be organized as a 501(c)(3)--a not-for-profit entity--similar to the organizational structure of the Indiana Economic Development Council, Inc., established under IC 4-3-14.

The Commission should make recommendations to the Indiana General Assembly by December 1, 2004, regarding the following:

- \* The elimination of gaps in the achievement levels of student socio-demographic subgroups.
- \* Improvements in academic achievement beyond proficiency of the state's academic standards to advanced levels.

In addition to state operational funds, the Commission may accept private funds and employ staff.

The statutory duration of the Commission should be from July 1, 2003, through December 31, 2004.

The Final Report was approved by the Committee by voice vote.

## WITNESS LIST

Patty Bond, Director of School Finance for Department of Education  
Bill Dreibelbis, Indiana Council of Administrators of Special Education  
Barbara Burke-Fondren, Community Montessori, Inc.  
Dr. Jacquelyn Clency, Director of Alternative Education for Indianapolis Public Schools  
Cathy Graham, IARCCA, An Association of Children & Family Services  
Kay Gill, parent of child at Flanner House Elementary School  
Dr. Linda Hauser, Indiana University  
Don Holderman, Muncie Community Schools  
Maureen Jayne, State Parent Teachers Association  
Dan Keilman, Department of Education  
Addie King, parent of child at Flanner House Elementary School  
Jim Killen, Indiana Youth Services Association  
John Kline, Fort Wayne Community Schools  
Dr. Chuck Little, Indiana Urban Schools Association  
Amy Cook Lurvey, Council of Volunteers & Organizations for Hoosiers with Disabilities  
Mike Malone, Timothy L. Johnson Academy  
Robert Marra, State Special Education Director for Department of Education  
John Meyers, Augenblick & Meyers  
Candis Mitchell, paraprofessional at Indianapolis Public Schools  
Gaylon Nettles, State Attendance Officer for Department of Education  
Sen. C. J. Prentiss, Chairperson of the National Black Caucus of State Legislative Education Committee  
Dr. Pat Pritchett, Superintendent of Indianapolis Public Schools  
Lowell Rose, Citizen of Indiana  
Terry Spradlin, Legislative Liaison for the Department of Education  
Justin Silverstein, Augenblick & Meyers  
Kevin Teasley, 21<sup>st</sup> Century Charter School  
Roger Thornton, Indiana Association of School Superintendents  
Wes Bruce, Department of Education  
Jeff Zaring, Department of Education  
Gail Zeheralis, Indiana State Teachers Association