RELATING TO PUBLIC EDUCATION; CREATING A STATE SCHOOL GRADES COUNCIL TO STUDY AND MAKE RECOMMENDATIONS ON SCHOOL GRADING; PROVIDING A TEMPORARY SCHEMA THAT INCLUDES MULTIPLE VALID AND RELIABLE FACTORS IN DETERMINING SCHOOL GRADES; AMENDING A SECTION OF LAW TO ELIMINATE REFERENCE TO SCHOOL GRADING; REPEALING THE A-B-C-D-F SCHOOLS RATING ACT.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:
SECTION 1. TEMPORARY PROVISION--STATE SCHOOL GRADES COUNCIL--POWERS AND DUTIES--REPORTS.--
A. The "state school grades council" is created as a two-year body that will develop an A-B-C-D-F school grading system and make recommendations to the legislature and the public education department on implementation of the system. The council is administratively attached to the department for staffing and other administrative services. The council may also call upon the legislative education study committee, school districts, charter schools and other educational agencies to assist the council in its undertakings.
B. The council consists of three members from each of the following groups:
(1) classroom teachers;
(2) instructional support providers;
(3) principals;
(4) superintendents;
(5) local school boards;
(6) charter schools; and
(7) other educational experts, business or community leaders or other interested persons.
C. The governor and the speaker of the house and the president pro tempore of the senate, with the input of the minority floor leaders of each house, shall each appoint one member from each group represented on the council. The members of the council shall elect a chair and vice chair. A majority of members constitutes a quorum for conducting business. Members who are not otherwise eligible for per diem and mileage through their public employer may be paid per diem and mileage as provided in the Per Diem and Mileage Act for state employees. The council may meet around the state to take input from school personnel and other interested persons.
D. The council shall study the current school system, determine all the factors that affect students' learning environments and develop a new $A-B-C-D-F$ grading system that takes those factors into account. The council shall make recommendations to the legislature on a new grading system that will be operational for the 2015-2016 school year.
E. The council shall make periodic reports to the
legislative education study committee and the legislative finance committee. The final report of the council shall be delivered to the legislative education study committee by November l, 2014, including recommendations for legislation to implement the new grading system. After reporting to the committee, the council terminates.

SECTION 2. TEMPORARY PROVISION--A-B-C-D-F GRADING SYSTEM FOR USE IN 2013-2014 AND 2014-2015 SCHOOL YEARS.--
A. The provisions of this section are applicable to the 2013-2014 and 2014-2015 school years.
B. As used in this section:
(1) "grade factor" means an element of a public school environment that is used to calculate a school's grade;
(2) "growth" means the knowledge that a student learns in three years' time, which is demonstrated by the student's performance on the New Mexico standards-based assessments and that demonstrates that the student:
(a) has changed from one score to another, indicating growth and performance;
(b) has worked toward a proficient or advanced proficient performance level as provided by department rule; or
(c) has remained in beginning steps or nearing proficient performance level but has improved by one
or more scale score points;
(3) "scale score point" means the measure of student achievement on the state standards-based assessment;
(4) "school options" means a right to transfer to any public school not rated an $F$ in the state; and
(5) "standards-based assessments" means those tests administered annually to students in grades three, four, five, six, seven, eight, ten and eleven pursuant to the Assessment and Accountability Act.
C. The public education department shall promulgate new rules for the grading of public schools based on the grade factors, growth and other requirements of this section.
D. Grade factors shall be determined by:
(1) current standing, which measures the current year's student assessment results;
(2) school growth, which measures the change in performance of successive snapshots of students over time and which is based on different students each year;
(3) growth of the highest-performing students, which measures the average score of the highest seventy-fifth percentile of student assessment scores based on individual student growth over three years, which is the current and two prior years if applicable;
(4) growth of the lowest-performing students, which measures the average score of the lowest twenty-fifth percentile of student assessment scores based on individual student growth over three years, which is the current and two prior years if applicable;
(5) opportunity to learn, which measures student participation in extracurricular activities, attendance and truancy rates and the teacher training and experience indicators; provided that for elementary, middle and high schools, this shall be the highest weighted factor for the school years covered by this section; and
(6) college and career readiness, which measures student participation in advanced placement, international baccalaureate courses, dual enrollment courses and SAT and ACT test scores.
E. No grade factor shall drop a public school's grade by an entire letter grade.
F. Every public school shall be graded as provided in this section. Prior to the release of school grades, the public education department shall share with every school district and charter school all the data used in the grade calculations, and the department shall respond to their reviews of the methodology and results of the grade calculations.
G. The grade calculation for each public school SB 587 Page 5
shall be composed of the following percentages:
(1) thirty-three percent of the grade is based on students' standards-based assessment results;
(2) thirty-four percent of the grade is determined by the following grade factors:
(a) in elementary and middle schools, the opportunity to learn grade factor makes up this percentage; and
(b) in high school, the graduation rate, college and career readiness and the opportunity to learn grade factors make up this percentage; and
(3) thirty-three percent of the grade is determined by the opportunity to learn.
H. No teacher or school principal evaluation system shall use any grade factors or other components of the school grading system until after the state school grades council reports to the legislature and the legislature enacts a new school grading system.
I. A public school shall be graded using a cohort of public schools that are grouped into clusters based on the following criteria:
(1) a public school's student economic status using Title 1 school designations and the United States census poverty indicators;
(2) a public school's population of English

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language learners; and
(3) the school grade issued on July l, 2012.
J. The public education department shall assign a letter grade of $A, B, C, D$ or $F$ to each public school pursuant to the following weights:
(1) for elementary and middle schools:
(a) the current standing of the school shall be weighted five points;
(b) the school growth indicator shall be weighted eight points;
(c) the growth of the highest-performing students shall be weighted ten points;
(d) the growth of the lowest-performing students shall be weighted ten points;
(e) the opportunity for students to learn shall be weighted sixty-seven points and include a minimum of the following factors: l) the provision to students of opportunities to participate in educational and extracurricular activities; 2) the rates of compliance by students with the Compulsory School Attendance Law; and 3) the teacher training and experience indicators; and
(f) the parent participation indicator shall be an opportunity for a school to earn bonus points and shall be weighted five points; and
(2) for high schools:
(a) the current standing of the school shall be weighted nine points;
(b) the growth of the highest-performing students shall be weighted twelve points;
(c) the growth of the lowest-performing students shall be weighted twelve points;
(d) the opportunity for students to learn shall be weighted thirty-three points and include a minimum of the following factors: l) the provision to students of opportunities to participate in educational and extracurricular activities; 2) the rates of compliance by students with the Compulsory School Attendance Law; and 3) the teacher training and experience indicators;
(e) the rates of graduation in the 2013-2014 and 2014-2015 school years and the value-added conditioning of school growth, taking into account school characteristics for the past three years, shall be weighted seventeen points;
(f) career and college readiness and an advanced placement indicator shall be weighted seventeen points; and

## (g) the parent participation indicator

 shall be an opportunity for a school to earn bonus points and shall be weighted five points.K. In addition to any rights a parent may have
pursuant to federal law, the parent of a student enrolled in a public school rated F for two of the last three years has the right to transfer the student in the same grade to any public school in the state not rated F .
L. The school options available pursuant to this section are in addition to any remedies provided for in the Assessment and Accountability Act for students in schools in need of improvement or any other interventions prescribed by the federal No Child Left Behind Act of 2001.

SECTION 3. Section 22-8-11 NMSA 1978 (being Laws 1967, Chapter 16, Section 66, as amended) is amended to read:
"22-8-11. BUDGETS--APPROVAL OF OPERATING BUDGET.--
A. The department shall:
(1) on or before July 1 of each year, approve and certify to each local school board and governing body of a state-chartered charter school an operating budget for use by the school district or state-chartered charter school; and
(2) make corrections, revisions and amendments to the operating budgets fixed by the local school boards or governing bodies of state-chartered charter schools and the secretary to conform the budgets to the requirements of law and to the department's rules and procedures.
B. No school district or state-chartered charter school or officer or employee of a school district or
state-chartered charter school shall make any expenditure or incur any obligation for the expenditure of public funds unless that expenditure or obligation is made in accordance with an operating budget approved by the department. This prohibition does not prohibit the transfer of funds pursuant to the department's rules and procedures.
C. The department shall not approve and certify an operating budget of any school district or state-chartered charter school that fails to demonstrate that parental involvement in the budget process was solicited."

SECTION 4. REPEAL.--Sections 22-2E-1 through 22-2E-4 NMSA 1978 (being Laws 2011, Chapter 10, Sections 1 through 4) are repealed.

