

**BILL SUMMARY**  
1<sup>st</sup> Session of the 52<sup>nd</sup> Legislature

<b>Bill No.:</b>	<b>HB 1690</b>
<b>Version:</b>	<b>Introduced</b>
<b>Author:</b>	<b>Representative Sears</b>
<b>Date:</b>	<b>January 31, 2009</b>
<b>Impact:</b>	<b>\$39,079,500</b>

**Bill Summary**

Research Analyst: Michael Hirlinger

The measure modifies the number and amount of awards within the Academic Achievement Award (AAA) program. Specifically, requires \$1,000 monetary award to be paid to each qualified employee at each school identified as having an API of 1,250 and a \$500 award to qualified employees at schools with an API of 1,000. The bill also modifies monetary awards for schools that attain the highest annual improvement.

**Fiscal Summary**

Fiscal Analyst: Nicole Barnes

HB 1690, as introduced, contains provisions relating to the Academic Achievement Awards (AAA) Program, including reducing the number of awards in each size group from four to three for those schools that have achieved the Top Score Award, and establishing Gold and Silver standards by which teachers at all schools that reach 1,250 and 1,000 Academic Performance Index (API) scores receive bonuses of \$1,000 and \$500, respectively.

**Fiscal Analysis**

The Group divisions for schools that attain the highest overall student achievement (Top Score) and the schools that attain the highest annual improvement (Top Growth) are as follows:

- Group 1: 0-135 ADM;
- Group 2: 136-235 ADM;
- Group 3: 236-345 ADM;
- Group 4: 346-505 ADM;
- Group 5: 506 or more ADM.

Awards will be calculated in the following manner:

Top Score:

- \$3,000 to every certified employee in each first place school in each group;
- \$2,000 to every certified employee in each second place school in each group;
- \$1,000 to every certified employee in each third place school in each group.

Top Growth:

- \$3,000 to every certified employee in each first place school in each group;
- \$2,000 to every certified employee in each second place school in each group;
- \$1,000 to every certified employee in each third place school in each group; and
- \$500 to every certified employee in each fourth place school in each group.

The State Department of Education estimates an average of 27 teachers per school site. When the number of teachers (27) is multiplied times the monetary value of the awards (Top Score:  $\$3,000+\$2,000+\$1,000 = \$6,000$ , plus Top Growth:  $\$3,000+\$2,000+\$1,000+ \$500= \$6,500$ ) and the number of size groups (5), the total cost comes out to  $\$1,687,500$ .

To determine the number of teachers eligible for the perfect 1,500 API score bonus, one would multiply the number of school sites that scored 1,500 when regular students were tested (34 in 2008) times the number of teachers at each site (27) times the value of the bonus ( $\$3,000$ ), for a total of  $\$2,754,000$ . The same process would follow for those scoring at least 1,250 (1,125 sites x 27 teachers x  $\$1,000 = \$30,375,000$ ) and those scoring at least 1,000 (508 sites x 27 teachers x  $\$500 = \$6,858,000$ ). Total cost of the perfect score, Gold, and Silver Awards in FY-10 would equal  $\$39,987,000$ .

Combining all Top Score, Top Growth, perfect, Gold and Silver Awards brings the total impact to  $\$41,674,500$ . Current expenditures on the AAA Program total  $\$2,595,000$ ; therefore, the increase would total  **$\$39,079,500$**  for FY-10.

### **Long Term Fiscal Considerations**

None

Fiscal Analysis Reviewed By:

*Janice Buchanan*

House Fiscal Director