

AMENDED IN ASSEMBLY AUGUST 26, 2011

AMENDED IN ASSEMBLY AUGUST 15, 2011

AMENDED IN ASSEMBLY JULY 13, 2011

AMENDED IN ASSEMBLY JUNE 13, 2011

AMENDED IN SENATE MAY 4, 2011

AMENDED IN SENATE MARCH 24, 2011

**SENATE BILL**

**No. 547**

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**Introduced by Senator Steinberg**

**(Coauthor: Senator Price)**

(Coauthors: Assembly Members Furutani and Solorio)

February 17, 2011

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An act to amend Section 52052.5 of, to amend and repeal Sections 52052 and 52052.1 of, and to add Sections 52052.8, 52052.81, 52052.82, 52052.83, and 52052.84 to, the Education Code, relating to school accountability.

LEGISLATIVE COUNSEL'S DIGEST

SB 547, as amended, Steinberg. Public school performance accountability.

(1) Existing law requires the Superintendent of Public Instruction, with the approval of the State Board of Education, to develop an Academic Performance Index (API), consisting of specified indicators, to measure the performance of schools and pupils.

This bill would make these provisions inoperative on July 1, 2014, and repeal them as of January 1, 2015. The bill would require the Superintendent, in consultation with a specified advisory committee,

to develop an Education Quality Index (EQI), which would replace the API and consist of a State Assessment Index, a Graduation Rate Index, a College Preparedness Index, and a Career Readiness Index. The bill would require that these indices consist of specified criteria. The bill would require the state board to provide opportunities for public input, make changes as necessary, and adopt the EQI no later than August 1, 2014. Commencing with the 2014–15 school year, the bill would require that all schools and school districts be evaluated using an EQI value. The bill would require the Superintendent to report to the Governor and the *appropriate policy and fiscal committees of the Legislature* by July 1, ~~2015~~ 2013, and annually thereafter, specified information relating to the creation of additional indices. The bill also would require the Superintendent, in consultation with a specified advisory committee, ~~to report to the Governor and the Legislature, by July 1, 2018, on the effectiveness and reliability of the EQI and any statutory changes needed for improvement~~ *and subject to an appropriation in the annual Budget Act or another statute for this purpose, to contract for an independent evaluation of the effectiveness and reliability of the EQI and any statutory changes recommended for improvement, and to submit the evaluation and recommendations in a report to the Governor and the appropriate policy and fiscal committees of the Legislature by July 1, 2018.* To the extent that this bill would impose new duties on school districts in connection with the establishment of the EQI, including, but not limited to, new reporting duties, it would impose a state-mandated local program.

~~(2) The~~

*This bill would also make conforming and clarifying changes relating to the duties of a specified advisory committee. The bill would require this advisory committee, for purposes of work relating to the EQI, to seek input through the establishment of subcommittees or other methods from persons with expertise in various areas, and, commencing January 1, 2012, through July 1, 2016, inclusive, to hold a public meeting at least once each quarter per year.*

~~(3)~~

(2) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state,

reimbursement for those costs shall be made pursuant to these statutory provisions.

Vote: majority. Appropriation: no. Fiscal committee: yes.

State-mandated local program: yes.

*The people of the State of California do enact as follows:*

1 SECTION 1. (a) The Legislature finds and declares all of the  
2 following:

3 (1) Too many pupils in California face educational challenges  
4 that could impede their ability to be productive participants in the  
5 state and national economies.

6 (2) Nearly 100,000 California pupils are dropping out of middle  
7 and high school annually, a number equivalent in size to the  
8 population of the City of San Mateo or the City of Compton.  
9 Gainful employment prospects for dropouts are shrinking given  
10 the changing nature of the California economy.

11 (3) Many of those who do graduate from high school find  
12 themselves underprepared for the demands of college and the  
13 workplace. Nearly half of all freshmen in the California  
14 Community Colleges and the California State University system  
15 require remediation in either reading or mathematics.

16 (4) A stronger and more integrated approach to learning that  
17 combines rigorous academics with career education can engage  
18 and motivate pupils who are at risk of dropping out and can create  
19 more options for them after high school, whether they choose  
20 postsecondary education or a career. Such an approach can better  
21 prepare pupils for entry directly into the workforce after high  
22 school, without compromising academic goals and preparation for  
23 postsecondary education.

24 (5) A large majority of California high school pupils surveyed  
25 say they would be more motivated to work hard and do well if  
26 they attended schools where they could take courses needed for  
27 college and at the same time have the chance to acquire skills and  
28 knowledge relevant to future careers.

29 (6) The Public Policy Institute of California projects that by  
30 2025, two of every five jobs (41 percent) will require a college  
31 degree. Without an increased commitment to college readiness  
32 and access, Californians with college degrees will amount to just  
33 35 percent of the 2025 workforce, well short of the need. Absent

1 improvements to college and career pathways for pupils, the growth  
2 of our emerging economy will be hindered by a lack of highly  
3 educated and skilled workers.

4 (b) The Legislature further finds and declares all of the  
5 following:

6 (1) The state's primary accountability measure for public  
7 schools, the Academic Performance Index, has performed an  
8 important function and has served as a compass by which schools  
9 have directed their school improvement efforts.

10 (2) The Academic Performance Index has been limited, however,  
11 by an overreliance on the Standardized Testing and Reporting  
12 Program as the chief indicator of school performance. Statute  
13 requires dropout and graduation rates to be included, but those  
14 rates are not yet incorporated.

15 (3) California's ongoing transition to new common core  
16 academic content standards presents an opportunity for the state  
17 to reexamine its system of public school accountability, the goals  
18 the state sets for its public schools, and the most appropriate  
19 methods for measuring progress toward those goals. The new  
20 generation of pupil assessments that will accompany the common  
21 core academic content standards may provide better information  
22 about pupils' ability to analyze and solve complex problems,  
23 communicate clearly, synthesize information, and apply  
24 knowledge. These skills and capacities are vital to their success  
25 in the global economy of the 21st century.

26 (c) It is the intent of the Legislature that California's system of  
27 public school accountability evolve to encompass other valuable  
28 metrics in addition to pupil test scores, graduation rates, and  
29 dropout rates. It is further the intent of the Legislature that a more  
30 comprehensive set of expectations and aspirations for California's  
31 public schools be reflected in the accountability system, including  
32 measures of pupil preparedness for college and career, and pupil  
33 engagement in school.

34 SEC. 2. Section 52052 of the Education Code is amended to  
35 read:

36 52052. (a) (1) The Superintendent, with approval of the state  
37 board, shall develop an Academic Performance Index (API), to  
38 measure the performance of schools, especially the academic  
39 performance of pupils.

1 (2) A school shall demonstrate comparable improvement in  
2 academic achievement as measured by the API by all numerically  
3 significant pupil subgroups at the school, including:

- 4 (A) Ethnic subgroups.
- 5 (B) Socioeconomically disadvantaged pupils.
- 6 (C) English learners.
- 7 (D) Pupils with disabilities.

8 (3) (A) For purposes of this section, a numerically significant  
9 pupil subgroup is one that meets both of the following criteria:

10 (i) The subgroup consists of at least 50 pupils each of whom  
11 has a valid test score.

12 (ii) The subgroup constitutes at least 15 percent of the total  
13 population of pupils at a school who have valid test scores.

14 (B) If a subgroup does not constitute 15 percent of the total  
15 population of pupils at a school who have valid test scores, the  
16 subgroup may constitute a numerically significant pupil subgroup  
17 if it has at least 100 valid test scores.

18 (C) For a school with an API score that is based on no fewer  
19 than 11 and no more than 99 pupils with valid test scores,  
20 numerically significant *pupil* subgroups shall be defined by the  
21 Superintendent, with approval by the state board.

22 (4) The API shall consist of a variety of indicators currently  
23 reported to the department, including, but not limited to, the results  
24 of the achievement test administered pursuant to Section 60640,  
25 attendance rates for pupils in elementary schools, middle schools,  
26 and secondary schools, and the graduation rates for pupils in  
27 secondary schools.

28 (A) Graduation rates for pupils in secondary schools shall be  
29 calculated for the API as follows:

30 (i) Four-year graduation rates shall be calculated by taking the  
31 number of pupils who graduated on time for the current school  
32 year, which is considered to be three school years after the pupils  
33 entered grade 9 for the first time, and dividing that number by the  
34 total calculated in clause (ii).

35 (ii) The number of pupils entering grade 9 for the first time in  
36 the school year three school years prior to the current school year,  
37 plus the number of pupils who transferred into the class graduating  
38 at the end of the current school year between the school year that  
39 was three school years prior to the current school year and the date  
40 of graduation, less the number of pupils who transferred out of the

1 school between the school year that was three school years prior  
2 to the current school year and the date of graduation who were  
3 members of the class that is graduating at the end of the current  
4 school year.

5 (iii) Five-year graduation rates shall be calculated by taking the  
6 number of pupils who graduated on time for the current school  
7 year, which is considered to be four school years after the pupils  
8 entered grade 9 for the first time, and dividing that number by the  
9 total calculated in clause (iv).

10 (iv) The number of pupils entering grade 9 for the first time in  
11 the school year four years prior to the current school year, plus the  
12 number of pupils who transferred into the class graduating at the  
13 end of the current school year between the school year that was  
14 four school years prior to the current school year and the date of  
15 graduation, less the number of pupils who transferred out of the  
16 school between the school year that was four years prior to the  
17 current school year and the date of graduation who were members  
18 of the class that is graduating at the end of the current school year.

19 (v) Six-year graduation rates shall be calculated by taking the  
20 number of pupils who graduated on time for the current school  
21 year, which is considered to be five school years after the pupils  
22 entered grade 9 for the first time, and dividing that number by the  
23 total calculated in clause (vi).

24 (vi) The number of pupils entering grade 9 for the first time in  
25 the school year five years prior to the current school year, plus the  
26 number of pupils who transferred into the class graduating at the  
27 end of the current school year between the school year that was  
28 five school years prior to the current school year and the date of  
29 graduation, less the number of pupils who transferred out of the  
30 school between the school year that was five years prior to the  
31 current school year and the date of graduation who were members  
32 of the class that is graduating at the end of the current school year.

33 (B) The inclusion of five- and six-year graduation rates for  
34 pupils in secondary schools shall meet the following requirements:

35 (i) Schools shall be granted one-half the credit in their API  
36 scores for graduating pupils in five years that they are granted for  
37 graduating pupils in four years.

38 (ii) Schools shall be granted one-quarter the credit in their API  
39 scores for graduating pupils in six years that they are granted for  
40 graduating pupils in four years.

1 (iii) Notwithstanding clauses (i) and (ii), schools shall be granted  
2 full credit in their API scores for graduating in five or six years a  
3 pupil with disabilities who graduates in accordance with his or her  
4 individualized education program (IEP).

5 (C) The pupil data collected for the API that comes from the  
6 achievement test administered pursuant to Section 60640 and the  
7 high school exit examination administered pursuant to Section  
8 60851, when fully implemented, shall be disaggregated by special  
9 education status, English learners, socioeconomic status, gender,  
10 and ethnic group. Only the test scores of pupils who were counted  
11 as part of the enrollment in the annual data collection of the  
12 California Basic Educational Data System for the current fiscal  
13 year and who were continuously enrolled during that year may be  
14 included in the test result reports in the API score of the school.  
15 Results of the achievement test and other tests specified in  
16 subdivision (b) shall constitute at least 60 percent of the value of  
17 the index.

18 (D) Before including high school graduation rates and attendance  
19 rates in the API, the Superintendent shall determine the extent to  
20 which the data currently are reported to the state and the accuracy  
21 of the data. Notwithstanding any other law, graduation rates for  
22 pupils in dropout recovery high schools shall not be included in  
23 the API. For purposes of this subparagraph, “dropout recovery  
24 high school” means a high school in which 50 percent or more of  
25 its pupils have been designated as dropouts pursuant to the  
26 exit/withdrawal codes developed by the department.

27 (E) The Superintendent shall provide an annual report to the  
28 Legislature on the graduation and dropout rates in California and  
29 shall make the same report available to the public. The report shall  
30 be accompanied by the release of publicly accessible data for each  
31 school district and school in a manner that provides for  
32 disaggregation based upon socioeconomically disadvantaged pupils  
33 and numerically significant *pupil* subgroups scoring below average  
34 on statewide standards-aligned assessments. In addition, the data  
35 shall be made available in a manner that provides for comparisons  
36 of a minimum of three years of data.

37 (b) Pupil scores from the following tests, when available and  
38 when found to be valid and reliable for this purpose, shall be  
39 incorporated into the API:

1 (1) The standards-based achievement tests provided for in  
2 Section 60642.5.

3 (2) The high school exit examination.

4 (c) Based on the API, the Superintendent shall develop, and the  
5 state board shall adopt, expected annual percentage growth targets  
6 for all schools based on their API baseline score from the previous  
7 year. Schools are expected to meet these growth targets through  
8 effective allocation of available resources. For schools below the  
9 statewide API performance target adopted by the state board  
10 pursuant to subdivision (d), the minimum annual percentage growth  
11 target shall be 5 percent of the difference between the actual API  
12 score of a school and the statewide API performance target, or one  
13 API point, whichever is greater. Schools at or above the statewide  
14 API performance target shall have, as their growth target,  
15 maintenance of their API score above the statewide API  
16 performance target. However, the state board may set differential  
17 growth targets based on grade level of instruction and may set  
18 higher growth targets for the lowest performing schools because  
19 they have the greatest room for improvement. To meet its growth  
20 target, a school shall demonstrate that the annual growth in its API  
21 is equal to or more than its schoolwide annual percentage growth  
22 target and that all numerically significant pupil subgroups, as  
23 defined in subdivision (a), are making comparable improvement.

24 (d) Upon adoption of state performance standards by the state  
25 board, the Superintendent shall recommend, and the state board  
26 shall adopt, a statewide API performance target that includes  
27 consideration of performance standards and represents the  
28 proficiency level required to meet the state performance target.  
29 When the API is fully developed, schools, at a minimum, shall  
30 meet their annual API growth targets to be eligible for the  
31 Governor's Performance Award Program as set forth in Section  
32 52057. The state board may establish additional criteria that schools  
33 must meet to be eligible for the Governor's Performance Award  
34 Program.

35 (e) The API shall be used for both of the following:

36 (1) Measuring the progress of schools selected for participation  
37 in the Immediate Intervention/Underperforming Schools Program  
38 pursuant to Section 52053.

1 (2) Ranking all public schools in the state for the purpose of the  
2 High Achieving/Improving Schools Program pursuant to Section  
3 52056.

4 (f) (1) A school with 11 to 99 pupils with valid test scores shall  
5 receive an API score with an asterisk that indicates less statistical  
6 certainty than API scores based on 100 or more test scores.

7 (2) A school annually shall receive an API score, unless the  
8 Superintendent determines that an API score would be an invalid  
9 measure of the performance of the school for one or more of the  
10 following reasons:

11 (A) Irregularities in testing procedures occurred.

12 (B) The data used to calculate the API score of the school are  
13 not representative of the pupil population at the school.

14 (C) Significant demographic changes in the pupil population  
15 render year-to-year comparisons of pupil performance invalid.

16 (D) The department discovers or receives information indicating  
17 that the integrity of the API score has been compromised.

18 (E) Insufficient pupil participation in the assessments included  
19 in the API.

20 (3) If a school has fewer than 100 pupils with valid test scores,  
21 the calculation of the API or adequate yearly progress pursuant to  
22 the federal No Child Left Behind Act of 2001 (20 U.S.C. Sec. 6301  
23 et seq.) and federal regulations may be calculated over more than  
24 one annual administration of the tests administered pursuant to  
25 Section 60640 and the high school exit examination administered  
26 pursuant to Section 60851, consistent with regulations adopted by  
27 the state board.

28 (g) Only schools with 100 or more test scores contributing to  
29 the API may be included in the API rankings.

30 (h) The Superintendent, with the approval of the state board,  
31 shall develop an alternative accountability system for schools under  
32 the jurisdiction of a county board of education or a county  
33 superintendent of schools, community day schools, nonpublic,  
34 nonsectarian schools pursuant to Section 56366, and alternative  
35 schools serving high-risk pupils, including continuation high  
36 schools and opportunity schools. Schools in the alternative  
37 accountability system may receive an API score, but shall not be  
38 included in the API rankings.

39 (i) This section shall become inoperative on July 1, 2014, and,  
40 as of January 1, 2015, is repealed, unless a later enacted statute,

1 that becomes operative on or before January 1, 2015, deletes or  
2 extends the dates on which it becomes inoperative and is repealed.

3 SEC. 3. Section 52052.1 of the Education Code is amended to  
4 read:

5 52052.1. (a) Beginning July 1, 2011, in addition to the test  
6 scores specified in subparagraph (B) of paragraph (4) of subdivision  
7 (a) of Section 52052, the Academic Performance Index (API) for  
8 a school or school district shall do all of the following:

9 (1) Include the test scores and other accountability data of  
10 enrolled pupils who were referred by the school or school district  
11 of residence to an alternative education program, including  
12 community, community day, and continuation high schools and  
13 independent study, and be calculated by assigning all accountability  
14 data on pupils in alternative education programs, including  
15 community, community day, and continuation high schools and  
16 independent study, to the school and school district of residence  
17 to ensure that placement decisions are in the best interests of  
18 affected pupils. If a pupil is referred to an alternative education  
19 program by a juvenile court judge or other correctional or judicial  
20 official, or if the pupil is expelled pursuant to subdivision (a), (b),  
21 or (c) of Section 48915, the test scores of that pupil shall remain  
22 with the alternative education program and with the school district  
23 or county office of education serving that pupil. This section does  
24 not prohibit the alternative education program from counting the  
25 test scores of those pupils served in their alternative education  
26 program. It is the intent of the Legislature that these alternative  
27 education programs remain accountable to the pupils they serve.

28 (2) Exclude the test scores or other data of those pupils exempt  
29 pursuant to federal statute or federal regulation.

30 (3) Include school and school district dropout rates for pupils  
31 who drop out of school while enrolled in grade 8 or 9. If reliable  
32 data is not available by July 1, 2011, the Superintendent, on or  
33 before that date, shall report to the Legislature the reasons for the  
34 delay and date he or she anticipates the specified dropout rates  
35 will be included in the API.

36 (b) The advisory committee established pursuant to Section  
37 52052.5 shall recommend to the Superintendent and the state board  
38 all of the following:

39 (1) The length of time for which the accountability data on  
40 pupils in alternative education programs shall be assigned to the

1 school and school district of residence pursuant to paragraph (1)  
2 of subdivision (a).

3 (2) Whether it is appropriate to assign accountability data to the  
4 school or the school district, pursuant to paragraph (1) of  
5 subdivision (a), if the pupil never attended the school of residence  
6 or has been absent for more than one year from the school district  
7 of residence due to placement in another school or school district  
8 or out of state.

9 (c) This section shall become inoperative on July 1, 2014, and,  
10 as of January 1, 2015, is repealed, unless a later enacted statute,  
11 that becomes operative on or before January 1, 2015, deletes or  
12 extends the dates on which it becomes inoperative and is repealed.

13 SEC. 4. Section 52052.5 of the Education Code is amended to  
14 read:

15 52052.5. (a) (1) The Superintendent shall establish a broadly  
16 representative and diverse advisory committee to advise the  
17 Superintendent and the state board on all appropriate matters  
18 relative to the creation of accountability measures developed  
19 pursuant to this article. Members of the advisory committee shall  
20 serve without compensation for terms not to exceed two years.  
21 The department shall provide staff to the advisory panel.

22 (2) For the purposes of its work related to the establishment of  
23 the Education Quality Index described in Section 52052.8, the  
24 advisory committee shall do both of the following:

25 (A) Seek input through the establishment of subcommittees or  
26 other methods from persons with expertise in the following areas:

- 27 (i) Public school accountability.
- 28 (ii) Assessment of English-proficient pupils and English learners.
- 29 (iii) School teaching and administration.
- 30 (iv) Education of English learners.
- 31 (v) High school reform and dropout prevention.
- 32 (vi) Special education.
- 33 (vii) Business and industry.
- 34 (viii) College and career preparedness.
- 35 (ix) Equal educational opportunity.
- 36 (x) Pupil engagement.
- 37 (xi) Areas of study for which academic content standards have  
38 been adopted by the state board.

39 (B) Commencing January 1, 2012, through July 1, 2016,  
40 ~~inclusive~~, meet at least once each quarter per year, at the call of

1 the chairperson, at a time and location convenient to the public,  
2 as the chairperson deems appropriate. All meetings shall be open  
3 to the public in accordance with Article 9 (commencing with  
4 Section 11120) of Chapter 1 of Part 1 of Division 3 of Title 2 of  
5 the Government Code.

6 (b) By January 1, 2011, the Superintendent and the state board,  
7 in consultation with the advisory committee established pursuant  
8 to subdivision (a), shall make recommendations to the Legislature  
9 and the Governor on each of the following:

10 (1) Approaches to increasing the emphasis of science and  
11 mathematics in the calculation of the Academic Performance Index  
12 or any successor measure.

13 (2) Methods to incorporate into the Academic Performance  
14 Index, or into other aspects of the state's accountability system, a  
15 measure of the degree to which pupils graduate from high school  
16 with the skills and knowledge necessary to attain entry-level  
17 employment in business or industry, as set forth in subdivision (b)  
18 of Section 51228.

19 (3) Methods to incorporate into the Academic Performance  
20 Index, or into other aspects of the state's accountability system, a  
21 measure of the degree to which pupils graduate from high school  
22 with the skills and knowledge necessary to succeed in  
23 postsecondary education.

24 (c) By July 1, 2013, the Superintendent and the state board, in  
25 consultation with the advisory committee established pursuant to  
26 subdivision (a), shall make recommendations to the Legislature  
27 and the Governor on the establishment of a methodology for  
28 generating a measurement of group and individual academic  
29 performance growth by utilizing individual pupil results from a  
30 longitudinally valid achievement assessment system. These  
31 recommendations should also address any interactions between  
32 the Academic Performance Index, or any successor measure, and  
33 individual test scores from the state's tests, as well as implications  
34 for the reauthorization of the state's assessment system. This  
35 ~~paragraph~~ *subdivision* shall not be construed to supersede the  
36 provisions of Chapter 273 of the Statutes of 2009.

37 SEC. 5. Section 52052.8 is added to the Education Code, to  
38 read:

39 52052.8. (a) (1) The Superintendent, in consultation with the  
40 advisory committee established pursuant to Section 52052.5, shall

1 develop an Education Quality Index (EQI) for schools and school  
2 districts, to be comprised of multiple valid and reliable indicators,  
3 to reflect the overall performance of California’s public schools,  
4 school districts, and pupils, for adoption by the state board. The  
5 state board shall adopt the EQI no later than August 1, 2014. Before  
6 adopting the EQI, the state board shall provide opportunities for  
7 public input and make changes as necessary.

8 (2) Commencing with the 2014–15 school year and each school  
9 year thereafter, all schools and school districts shall be evaluated  
10 using an EQI value.

11 (b) It is the intent of the Legislature that the EQI provide a  
12 comprehensive and transparent measurement of pupil performance  
13 and school quality to better inform parents, pupils, teachers, school  
14 administrators, policymakers, and the public about public school  
15 performance using multiple indicators of pupil, school, and school  
16 district quality and performance.

17 (c) An EQI shall be developed for each school type and school  
18 district as follows:

19 (1) For schools and school districts maintaining any of grades  
20 9 to 12, inclusive, the EQI shall include, but not necessarily be  
21 limited to, the following component indices:

22 (A) The State Assessment Index (SAI), as described in Section  
23 52052.81.

24 (B) The Graduation Rate Index (GRI), as described in Section  
25 52052.82.

26 (C) The College Preparedness Index (CPI), as described in  
27 Section 52052.83.

28 (D) The Career Readiness Index (CRI), as described in Section  
29 52052.84.

30 (2) (A) For schools and school districts maintaining grade 8,  
31 the EQI shall include, but shall not necessarily be limited to, the  
32 SAI, as described in Section 52052.81, and the GRI, as described  
33 in Section 52052.82.

34 (B) The Superintendent, in consultation with the advisory  
35 committee established pursuant to Section 52052.5, shall consider  
36 for inclusion in the EQI for schools and school districts maintaining  
37 grade 8 a valid and reliable measure or measures of pupil access  
38 to and performance in college and career preparatory and  
39 exploratory experiences.

1 (3) (A) For schools and school districts maintaining  
2 kindergarten or any of grades 1 to 7, inclusive, the EQI shall  
3 include, but shall not necessarily be limited to, the SAI, as  
4 described in Section 52052.81.

5 (B) It is the intent of the Legislature that the EQI for schools  
6 and school districts maintaining kindergarten or any of grades 1  
7 to 7, inclusive, not be limited to the SAI, as described in Section  
8 52052.81.

9 (d) The Superintendent, in consultation with the advisory  
10 committee established pursuant to Section 52052.5, shall develop  
11 and recommend to the state board for adoption all of the following:

12 (1) An alternative accountability system for schools under the  
13 jurisdiction of a county board of education or a county  
14 superintendent of schools, community day schools, nonpublic,  
15 nonsectarian schools operating pursuant to Section 56366, and  
16 alternative schools serving high-risk pupils, including continuation  
17 high schools, opportunity schools, and dropout recovery high  
18 schools.

19 (A) Schools in the alternative accountability system may receive  
20 an EQI or any of its component indices, but shall not be included  
21 in any rankings or comparisons to other schools based on these  
22 indices.

23 (B) For purposes of this section, “dropout recovery high school”  
24 means a high school in which 50 percent or more of its pupils are  
25 designated as dropouts pursuant to the exit/withdrawal codes  
26 developed by the department.

27 (2) The relative weights of the component indices that comprise  
28 a school and school district EQI and a total value for a school and  
29 school district EQI.

30 (i) For schools and school districts maintaining kindergarten  
31 and any of grades 1 to 8, inclusive, the SAI shall comprise no less  
32 than 40 percent of the value of the EQI.

33 (ii) For schools and school districts maintaining any of grades  
34 9 to 12, inclusive, the SAI shall comprise no more than 40 percent  
35 of the value of the EQI.

36 (iii) Within the EQI, the weights assigned to the CPI and CRI  
37 shall be equal.

38 (3) No less than one additional component index for schools  
39 maintaining kindergarten or any of grades 1 to 7, inclusive.

1 (4) Annual school and school district scores or other evaluation  
2 system for the EQI.

3 (5) An annual improvement or growth target for the SAI as  
4 described in Section 52052.81 and the GRI as described in Section  
5 52052.82, including targets for numerically significant pupil  
6 subgroups, as defined in subdivision (k).

7 (6) Whether an improvement or growth target should be  
8 established for each additional component index, including targets  
9 for numerically significant pupil subgroups, as defined in  
10 subdivision (k).

11 (7) A method or methods for providing recognition, additional  
12 weight, or other measures in any of the EQI's component indices  
13 for schools and school districts that can demonstrate that English  
14 learners are making progress toward English language acquisition,  
15 graduation, and preparedness for college and career.

16 (8) Whether an annual measurement of the narrowing of the  
17 achievement gap should be included for each component index,  
18 including measurements for numerically significant pupil  
19 subgroups, as defined in subdivision (k).

20 (9) The relevant indices and indicators necessary to meet and  
21 comply with federal law, including, but not limited to, the federal  
22 No Child Left Behind Act of 2001 (20 U.S.C. Sec. 6301 et seq.).

23 (10) Any additional data elements, and connections between  
24 existing data systems, that are needed to develop the indices  
25 described in subdivision (c). For purposes of this paragraph, the  
26 Superintendent and the advisory committee established pursuant  
27 to Section 52052.5 shall consult with the University of California,  
28 the California State University, the California Community  
29 Colleges, the Employment Development Department, and other  
30 appropriate entities.

31 (e) The Superintendent annually shall release the indices  
32 described in this section, including all of the following:

33 (1) A composite EQI score, made up of any required component  
34 indices.

35 (2) An EQI score, and a score for each component index, at the  
36 school and school district level, for each numerically significant  
37 pupil subgroup as defined pursuant to subdivision (k).

38 (3) A transparent and understandable explanation of the score  
39 and relative weights for each individual index.

1 (4) The relative weights of each individual indicator included  
2 in each index.

3 (f) (1) When additional valid and reliable pupil outcome data  
4 become available, the Superintendent, in consultation with the  
5 advisory committee established pursuant to Section 52052.5, shall  
6 develop and recommend to the state board for adoption additional  
7 indices to reflect other important elements of school quality,  
8 including, but not limited to, the following:

- 9 (A) Creativity and innovation.
- 10 (B) Pupil engagement in school.
- 11 (C) Group or individual pupil growth in academic performance.

12 (2) In the development of any additional indices, the  
13 Superintendent shall take into account the appropriateness of  
14 particular indices and indicators to grade spans and school types,  
15 to ensure that the EQI and all component indices and indicators  
16 accurately reflect the state performance expectations under which  
17 the school or school district operate.

18 (3) Any additional component index of the EQI adopted by the  
19 state board for inclusion in the EQI shall not be incorporated into  
20 the EQI until at least one full school year after adoption.

21 (g) ~~(4)~~ No later than July 1, ~~2015~~ 2013, and annually thereafter,  
22 the Superintendent shall report to the Governor and *the appropriate*  
23 *policy and fiscal committees of* the Legislature on all of the  
24 following:

25 ~~(A)~~  
26 (1) The status of valid and reliable data to develop and include  
27 in each index developed pursuant to this section, including  
28 additional indices ~~as required by~~ *developed pursuant to* subdivision  
29 (f).

30 ~~(B)~~  
31 (2) The data elements planned for inclusion in each additional  
32 index.

33 ~~(C)~~  
34 (3) The timeline for the development and implementation of  
35 additional indices.

36 ~~(D)~~  
37 (4) Potential impacts of each additional index on the EQI and  
38 on schools and school districts.

39 ~~(E)~~

1 (5) Potential correlations or interaction between indices,  
2 including additional indices.

3 ~~(2) A report to be submitted pursuant to paragraph (1) shall be~~  
4 ~~submitted in compliance with Section 9795 of the Government~~  
5 ~~Code.~~

6 (h) (1) The Superintendent shall not be limited in the  
7 development of the EQI by the scope, at the time of enactment of  
8 this section, of the California Longitudinal Pupil Achievement  
9 Data System, or any other relevant data system. *No later than July*  
10 *1, 2013, the Superintendent shall report to the Governor and the*  
11 *appropriate policy and fiscal committees of the Legislature any*  
12 *additional data required to be reported by local educational*  
13 *agencies for the purposes of the EQI.*

14 (2) *The requirement for submitting a report imposed under*  
15 *paragraph (1) is inoperative on July 1, 2017, pursuant to Section*  
16 *10231.5 of the Government Code.*

17 (i) (1) The Superintendent, in consultation with the advisory  
18 committee established pursuant to Section 52052.5, shall ~~report,~~  
19 *subject to an appropriation in the annual Budget Act or another*  
20 *statute for this purpose, contract for an independent evaluation*  
21 *of the effectiveness and reliability of the EQI and any statutory*  
22 *changes recommended for improvement, and shall submit the*  
23 *evaluation and recommendations in a report to the Governor and*  
24 *the appropriate policy and fiscal committees of the Legislature no*  
25 *later than July 1, 2018, on the effectiveness and reliability of the*  
26 *EQI and any statutory changes needed for improvement.*

27 (2) The requirement for submitting a report imposed under  
28 paragraph (1) is inoperative on July 1, 2022, pursuant to Section  
29 10231.5 of the Government Code.

30 ~~(3) A report to be submitted pursuant to paragraph (1) shall be~~  
31 ~~submitted in compliance with Section 9795 of the Government~~  
32 ~~Code.~~

33 (j) The Superintendent may develop and recommend to the state  
34 board for adoption any regulations necessary to implement this  
35 section.

36 (k) (1) For purposes of this chapter, a numerically significant  
37 pupil subgroup is one that meets both of the following criteria:

38 (A) The subgroup consists of at least 50 pupils each of whom  
39 has a valid test score.

1 (B) The subgroup constitutes at least 15 percent of the total  
2 population of pupils at a school who have valid test scores.

3 (2) If a subgroup does not constitute 15 percent of the total  
4 population of pupils at a school who have valid test scores, the  
5 subgroup may constitute a numerically significant pupil subgroup  
6 if it has at least 100 valid test scores.

7 (3) For a school with no fewer than 11 and no more than 99  
8 pupils with valid test scores, numerically significant pupil  
9 subgroups shall be defined by the Superintendent, with approval  
10 by the state board.

11 (4) Numerically significant pupil subgroups shall include, but  
12 not be limited to, ethnic subgroups, socioeconomically  
13 disadvantaged pupils, English learners, and pupils with disabilities.

14 SEC. 6. Section 52052.81 is added to the Education Code, to  
15 read:

16 52052.81. (a) The State Assessment Index (SAI) shall be  
17 comprised of pupil scores from the standards-based achievement  
18 tests provided for in Section 60642.5, or any valid and reliable  
19 successor assessments adopted by the state board, and the high  
20 school exit examination. The pupil data collected for the SAI that  
21 comes from the achievement test administered pursuant to Section  
22 60640 and the high school exit examination administered pursuant  
23 to Section 60851, when fully implemented, shall be disaggregated  
24 by special education status, English learners, socioeconomic status,  
25 gender, and ethnic group. The SAI for a school or school district  
26 also shall do all of the following:

27 (1) Include the test scores of enrolled pupils who were referred  
28 by the school or school district of residence to an alternative  
29 education program, including community, community day, and  
30 continuation high schools and independent study, and be calculated  
31 by assigning all data collected for purposes of the SAI on pupils  
32 in alternative education programs, including community,  
33 community day, and continuation high schools and independent  
34 study, to the school and school district of residence to ensure that  
35 placement decisions are in the best interests of affected pupils. If  
36 a pupil is referred to an alternative education program by a juvenile  
37 court judge or other correctional or judicial official, or if the pupil  
38 is expelled pursuant to subdivision (a), (b), or (c) of Section 48915,  
39 the test scores of that pupil shall remain with the alternative  
40 education program and with the school district or county office of

1 education serving that pupil. This section does not prohibit the  
2 alternative education program from counting the test scores of  
3 those pupils served in their alternative education program. It is the  
4 intent of the Legislature that these alternative education programs  
5 remain accountable to the pupils they serve.

6 (2) Exclude the test scores or other data of those pupils exempt  
7 pursuant to federal statute or federal regulation.

8 (b) The advisory committee established pursuant to Section  
9 52052.5 shall recommend to the Superintendent and the state board  
10 all of the following:

11 (1) The length of time for which the data collected for purposes  
12 of the SAI on pupils in alternative education programs shall be  
13 assigned to the school and school district of residence pursuant to  
14 paragraph (1) of subdivision (a).

15 (2) Whether it is appropriate to assign data collected for purposes  
16 of the SAI to the school or the school district, pursuant to paragraph  
17 (1) of subdivision (a), if the pupil never attended a school in the  
18 school district of residence or is absent for more than one year  
19 from the school district of residence due to placement in another  
20 school or school district or out of state.

21 (c) All schools or school districts with at least 11 pupils with  
22 valid test scores shall receive an annual SAI score, unless the  
23 Superintendent determines that an SAI score would be an invalid  
24 measure of the performance of a school or school district for one  
25 or more of the following reasons:

26 (1) Irregularities in testing procedures occurred.

27 (2) The data used to calculate the SAI score of the school or  
28 school district are not representative of the pupil population at the  
29 school or school district.

30 (3) Significant demographic changes in the pupil population  
31 render year-to-year comparisons of pupil performance invalid.

32 (4) The department discovers or receives information indicating  
33 that the integrity of the SAI score has been compromised.

34 (5) There is insufficient pupil participation in the assessments  
35 included in the SAI.

36 (d) The SAI for a school district shall not include test scores  
37 from any school within that school district that had its SAI  
38 invalidated for any of the reasons specified in paragraph (1) to (5),  
39 inclusive, of subdivision (c).

1 (e) A school or school district with 10 or fewer pupils shall not  
2 receive an SAI score.

3 (f) If a school has fewer than 100 pupils with valid test scores,  
4 the calculation of the SAI or adequate yearly progress pursuant to  
5 the federal No Child Left Behind Act of 2001 (20 U.S.C. Sec. 6301  
6 et seq.) and federal regulations may be calculated over more than  
7 one annual administration of the tests administered pursuant to  
8 Section 60640 and the high school exit examination administered  
9 pursuant to Section 60851, consistent with regulations adopted by  
10 the state board.

11 SEC. 7. Section 52052.82 is added to the Education Code, to  
12 read:

13 52052.82. (a) The Graduation Rate Index (GRI) shall include  
14 one or both of the following, as appropriate to the grade  
15 configuration of the school or school district:

16 (1) Four-year, five-year, and six-year graduation rates as defined  
17 in Section 200.19(b) of Title 34 of the Code of Federal Regulations.

18 (2) Rates at which pupils successfully promote from one grade  
19 to the next in middle school and high school and successfully  
20 matriculate from middle school to high school.

21 (b) All schools and school districts shall be granted full value  
22 in their GRI for graduating in five or more years a pupil with  
23 disabilities who graduates in accordance with his or her  
24 individualized education program (IEP).

25 (c) The Superintendent, in consultation with the advisory  
26 committee established pursuant to Section 52052.5, shall develop  
27 and recommend to the state board for adoption all of the following:

28 (1) The length of time for which the following shall be assigned  
29 to the school and school district of residence, pursuant to  
30 subdivision (a):

31 (A) The rates at which pupils successfully promote from one  
32 grade to the next in middle school and high school.

33 (B) The rates at which pupils successfully matriculate from  
34 middle school to high school.

35 (C) Graduation rates of pupils in alternative education programs.

36 (2) Whether it is appropriate to assign the rates at which pupils  
37 successfully promote from one grade to the next in middle school  
38 and high school, successfully matriculate from middle school to  
39 high school, and graduation rates, to the school or the school  
40 district, pursuant to subdivision (a), if the pupil never attended a

1 school in the school district of residence or is absent for more than  
2 one year from the school district of residence due to placement in  
3 another school or school district or out of state.

4 (3) The value graduation rates will have in the GRI for pupils  
5 who graduate in four, five, or six years. The recommendation may  
6 place less value on five- and six-year graduation rates than on  
7 four-year graduation rates.

8 (4) Whether a California public high school that initially enrolls  
9 a pupil who is at risk of not graduating on time may be granted  
10 full value in their GRI for graduating that pupil in five or six years.

11 (d) The GRI for a school or school district also shall do all of  
12 the following:

13 (1) Include the rates at which pupils successfully promote from  
14 one grade to the next in middle school and high school, successfully  
15 matriculate from middle school to high school, and graduation  
16 rates, pursuant to subdivision (a), for enrolled pupils who were  
17 referred by the school or school district of residence to an  
18 alternative education program, including community, community  
19 day, and continuation high schools and independent study, and be  
20 calculated by assigning all data collected for purposes of the GRI  
21 on pupils in alternative education programs, including community,  
22 community day, and continuation high schools and independent  
23 study, to the school and school district of residence to ensure that  
24 placement decisions are in the best interests of affected pupils. If  
25 a pupil is referred to an alternative education program by a juvenile  
26 court judge or other correctional or judicial official, or if the pupil  
27 is expelled pursuant to subdivision (a), (b), or (c) of Section 48915,  
28 the test scores of that pupil shall remain with the alternative  
29 education program and with the school district or county office of  
30 education serving that pupil. This section does not prohibit the  
31 alternative education program from counting the dropout and  
32 graduation rates of those pupils served in their alternative education  
33 program. It is the intent of the Legislature that these alternative  
34 education programs remain accountable to the pupils they serve.

35 (2) Exclude the rates at which pupils successfully promote from  
36 one grade to the next in middle school and high school, successfully  
37 matriculate from middle school to high school, and graduation  
38 rates of those pupils exempt pursuant to federal statute or federal  
39 regulation.

1 (e) Growth targets and a statewide performance target  
2 established for the GRI shall be consistent with those established  
3 pursuant to the federal No Child Left Behind Act of 2001 (20  
4 U.S.C. Sec. 6301 et seq.) or any successor measure adopted  
5 pursuant to the federal Elementary and Secondary Education Act.

6 SEC. 8. Section 52052.83 is added to the Education Code, to  
7 read:

8 52052.83. (a) The College Preparedness Index (CPI) shall  
9 consist of multiple valid, reliable, and stable measures of pupil  
10 preparedness for postsecondary education.

11 (b) In developing the CPI, the Superintendent, in consultation  
12 with the advisory committee established pursuant to Section  
13 52052.5, may consider, but is not necessarily limited to, for pupils  
14 in any of grades 9 to 12, inclusive, local and state assessments,  
15 course enrollment and completion, academic and extracurricular  
16 programs, and advanced or additional learning opportunities, as  
17 indicators for inclusion in the CPI.

18 (c) In developing the CPI, the Superintendent, in consultation  
19 with the advisory committee established pursuant to Section  
20 52052.5, shall recommend to the state board for adoption a method  
21 for providing additional weight in the index for schools and school  
22 districts that demonstrate that pupil subgroups, including  
23 economically disadvantaged pupils, pupils with disabilities, and  
24 English learners, are proportionately represented among pupils  
25 who are prepared and eligible for enrollment in four-year colleges  
26 and universities.

27 SEC. 9. Section 52052.84 is added to the Education Code, to  
28 read:

29 52052.84. The Career Readiness Index (CRI) shall consist of  
30 multiple valid, reliable, and stable measures of pupil readiness for  
31 career. In the development of the CRI, the Superintendent, in  
32 consultation with the advisory committee established pursuant to  
33 Section 52052.5, may consider, but is not necessarily limited to,  
34 for pupils in any of grades 9 to 12, inclusive, course enrollment  
35 and completion of career pathway and standards-aligned career  
36 technical education programs, industry-validated courses and  
37 certifications, intersegmental articulation with institutions of higher  
38 education,—~~and~~ local and state assessments, *and* portfolio  
39 assessments, as indicators for inclusion in the CRI.

1     SEC. 10. If the Commission on State Mandates determines  
2 that this act contains costs mandated by the state, reimbursement  
3 to local agencies and school districts for those costs shall be made  
4 pursuant to Part 7 (commencing with Section 17500) of Division  
5 4 of Title 2 of the Government Code.

O