MEMORANDUM

TO: Superintendents, Charter Holders, Principals, and Testing Coordinators
FROM: Dr. Carrie L. Giovannone
        Deputy Associate Superintendent of Research & Evaluation
        Dr. Yovhane L. Metcalfe,
        Director of Accountability
DATE: April 26, 2013
SUBJECT: 2013 Arizona State Board of Education Decisions Regarding A-F Letter Grade Accountability System & Updates on 95% Tested Policy
(REF: RE13002-E)

This memo is to inform you of the various decisions made by the Arizona State Board of Education regarding the 2013 A-F Letter Grade accountability system:

1) A new Arizona Online Instruction (AOI) Full Academic Year (FAY) definition
2) AOI inclusion policy
3) Additional points for reduction in “Falls Far Below” (FFB) proficiency level for Grade 3 Reading or Grade 8 Mathematics, and
4) A streamlined definition and a new pooling method for the small schools model.

Additionally, the Arizona Department of Education (ADE) has received guidance from the U.S. Department of Education in regards to adding 95% tested as a criterion for meeting Annual Measurable Objectives (AMOs).

Approved Arizona Online Instruction (AOI) Full Academic Year (FAY) definition

For AOI schools, a new FAY definition will replace both the traditional and alternative FAY definitions that were previously applied to these schools. For 2013 accountability, all students who meet all three criteria below will be considered FAY in the academic year:

✓ Marked as full-time funded (FTF) by ADE School Finance
✓ Received at least 75% of the instructional minutes prescribed for the full calendar year per grade level (ARS § 15-808), and
✓ Continuously enrolled up until the first day of testing.

Regardless of alternative status, the AOI FAY definition will be applied to all AOI schools. The table below shows the minimum number of minutes a student must be enrolled in their school prior to the test day in order to be considered a FAY student.
AOI Inclusion Policy

For all A-F Letter Grades models, any AOI school with less than 100 FAY students will receive an NR (not rated) for 2013. With input from stakeholders and experts in district and charter sponsored AOI schools, ADE hopes to operationalize a future accountability model which is representative of AOI schools’ unique characteristics.

Approved additional points for reduction in “Falls Far Below”

K-8 schools, districts, and charter holders that are ineligible for dropout rate points can earn 3 additional points by reducing the percentage of students in the FFB performance category for the current year or maintaining a low 3-year average in Grade 3 Reading or Grade 8 Mathematics. Similar to dropout rate points, these points would be available outside of the A-F Letter Grade accountability traditional model and would contribute to the total score. There is no current penalty nor will one be instituted for FFB percentages that exceed the proposed criteria. Schools and LEAs (districts and charter holders) that are eligible for dropout rate points cannot receive FFB points in either category. Schools with alternative status and schools without a grade 3 or grade 8 are not eligible for FFB points at this time.

<table>
<thead>
<tr>
<th>Grade 3 Reading</th>
<th>“Falls Far Below” Criteria to Meet the Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>3-Year Average</td>
<td>≤ 3% Points</td>
</tr>
<tr>
<td>Current Year ≤ 5%</td>
<td>1% Point Annual Decrease</td>
</tr>
<tr>
<td>Current Year &gt; 5%</td>
<td>2% Point Annual Decrease</td>
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<table>
<thead>
<tr>
<th>Grade 8 Mathematics</th>
<th>“Falls Far Below” Criteria to Meet the Target</th>
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</thead>
<tbody>
<tr>
<td>3-Year Average</td>
<td>≤ 25% Points</td>
</tr>
<tr>
<td>Current Year ≤ 30%</td>
<td>1% Point Annual Decrease</td>
</tr>
<tr>
<td>Current Year &gt; 30%</td>
<td>2% Point Annual Decrease</td>
</tr>
</tbody>
</table>

Approved small schools pooling method and streamlined definition

Only schools with less than the minimum N-count of 30 FAY test records in the current year will be considered in the small schools model; all schools with more than 30 FAY test records will be evaluated under the traditional schools model. A FAY student with valid tests in both Mathematics and Reading contributes two test records to a school’s A-F Letter Grade. Many schools that previously used pooled
data in their A-F Letter Grade determinations will now use strictly current year data under the traditional model if they have more than 30 test records from FAY students in 2013. Schools with fewer than 30 test records from FAY students will continue to use three years of pooled data in their 2013 A-F Letter Grade determinations.

The small schools model will also use a revised pooling method to include all FAY students in the school for each of the three years. The new method of pooling data will emphasize school performance and increase the number of observations. For each of the three years, all FAY students in each year, including those FAY students in the bottom 25% in each year, will be used to determine the A-F Letter Grade regardless of the number of years of data in a small school’s A-F Letter Grade. All schools with fewer than 30 FAY test records when combining the last three year period will receive an NR label.

95% tested in Annual Measurable Objectives (AMOs)

For 2013 AMO determinations, schools must test 95% of all FAY and non-FAY students in order to “meet” AMOs. In compliance with the Arizona ESEA Flexibility Request and U.S. Department of Education guidance, any school which does not test 95% of all its students will receive a “not met” for AMOs. This criterion will be applied at the school level and any school testing fewer than 95% of its students will be ineligible for “Reward” status. The penalty cap on a school’s A-F Letter Grade that was implemented in 2012 will remain in place for A-F Letter Grade accountability.