## EXHIBIT J

#### ARKANSAS DEPARTMENT OF EDUCATION RULES GOVERNING THE PUBLIC SCHOOL RATING SYSTEM ON ANNUAL SCHOOL REPORT CARDS (EMERGENCY RULE) - Effective October 13, 2014

#### 1.00 **REGULATORY AUTHORITY**

- **1.01** These rules shall be known as the Arkansas Department of Education Rules Governing The Public School Rating System On Annual School Report Cards ("Rules").
- 1.02 The Rules are enacted pursuant to the State Board of Education's authority under Ark. Code Ann. §§ 6-11-105, 6-15-2105, 6-15-2106, and 25-15-201 et seq.

#### 2.00 PURPOSE

The purpose of these Rules is to set forth the process and procedures for calculating a letter grade for each public school in accordance with Act 696 of 2013.

#### 3.00 DEFINITIONS

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- 3.01 Department means Arkansas Department of Education.
- 3.02 Four-Year Adjusted Cohort Graduation Rate has the same definition as set
- Joint Strain
  Four-Year Adjusted Cohort Graun

  forth in 34 C.F.R. § 200.19(b)(1)(i)-(iv).

  Joint Strain

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  Non-mobile student means a student continuously enrolled at a school from October 1 of the school year through and including the initial date of testing.

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#### າ້ມ 4.00 SCHOOL RATING SYSTEM

- 4.01 Effective with the 2014-2015 school year, each school will receive a letter grade score of "A," "B," "C," "D," or "F."
- **4.02** Each school's score will be calculated by the Department using the model set forth in Appendix "A."
- **4.03** Each school's score shall be published annually by the Department and by the school district, and shall be available on the Department's and school districts' websites.
- **4.04** The school rating system shall not apply to Alternative Learning Environments with LEA numbers as identified by Ark. Code Ann. § 6-48-101.

## **Emergency** Clause

Whereas, Ark. Code Ann. § 6-15-2105 provides that effective with the 2014-2015 school year, each school will receive a letter grade score of "A" through "F."

Whereas, Ark. Code Ann. § 6-15-2106 authorizes the Arkansas State Board of Education to adopt rules to establish the method for determining the letter grade for each school that takes into consideration levels of performance and improvement, and the State Board has done so in these rules.

THEREFORE, the State Board of Education hereby determines pursuant to Ark. Code Ann. § 25-15-204 that immediate peril to the welfare of Arkansas public schools and students will result without the immediate promulgation of these rules.

#### APPENDIX "A"

#### Model for Calculation of Overall School Scores for Determination of School Letter Grades

This model consists of up to four components: *Weighted Performance Score*, *Improvement Score* with ESEA Options, and Four-Year Adjusted Cohort Graduation Rate (where applicable)<sup>1</sup> and *Gap Adjustments* (where applicable). The document is organized as follows.

<sup>&</sup>lt;sup>1</sup> Throughout this document, the term "graduation rate" refers to schools' Four-Year Adjusted Cohort Graduation Rate as calculated by the Arkansas Department of Education.

## **Weighted Performance Score**

Schools earn points toward the performance portion of their overall score through the Weighted Performance Score. In Weighted Performance a school earns partial credit for students scoring Basic, full credit for a student scoring Proficient, and bonus credit for students scoring Advanced.

Schools earn a Weighted Performance Score based on the percentage of nonmobile tested students in a school scoring at each of the four performance levels defined on state tests. State tests include the Augmented Benchmark Exam in grades 3 through 8 as well as the End-of-Course Exams in Algebra and Geometry, and the Grade 11 Literacy Exam. Only tests in Literacy and Math are counted this Model.

Schools earn a weight of zero for students scoring Below Basic, a weight of 0.25 for students scoring Basic, a weight of 1.0 for students scoring Proficient, and a weight of 1.25 for students scoring Advanced. The additional weight earned for students scoring Advanced is considered a bonus, allowing schools to receive up to 25 bonus points beyond 100. A comparison of points earned in a simple proficiency score versus *Weighted Performance Score* is provided below.

Proficiency Model	Below Basic	Basic	Proficient	Advanced
Simple Proficiency	0	0	1	1
Weighted Performance	0	0.25	1	<u>1.25</u>

At the school level, the Weighted Performance Score is calculated as follows:

Weighted Performance Score

 $= \frac{(0 * Below Basic N) + (0.25 * Basic N) + (1 * Proficient N) + (1.25 * Advanced N)}{NonMobile Student Test Scores in Math and Literacy N} * 100$ 

The numerator and denominator include both math and literacy tests. Note that schools do not get credit for Below Basic students because of the O multiplier. Below Basic N is included to illustrate the zero weight for students in this performance level.

## **Improvement Score with ESEA Options**

Schools earn points toward an *Improvement Score* by meeting annual targets for school improvement. Schools have from two to six possible improvement targets to meet depending on whether they have graduation rates, and whether the school meets the minimum N of 25 TAGG students in math, literacy and/or graduation rate. All schools earn points for the *Improvement Score* for the All Students group in math and literacy. If the All Students group for math or literacy is below 25 then the three-year composite must be used to determine the number of points earned by the school for the *Improvement Score* in math and literacy.

Has Graduation Rate	Possible Targets
Yes	Math—All and/or TAGG, Lit – All and/or TAGG, Grad Rate – All and/or TAGG
No	Math – All and/or TAGG, Lit – All and/or TAGG

Schools must meet the minimum N of 25 students in math, literacy, or graduation rate in order for a target to count toward their *Improvement Score*. A school's N for math and literacy is the number of nonmobile students tested within the subject and group. A school's N for graduation rate is the number of expected graduates as determined by the ADE. This threshold applies to targets for both All Students and TAGG Students.

A school's Improvement Score ranges between a 55 and a 95 depending on the number of targets met, as shown below:

Number of Possible Targets	Met 0 Targets	Met 1 Target	Met 2 Targets	Met 3 Targets	Met 4 Targets	Met 5 Targets	Met 6 Targets
6	55	62	68	75	82	88	95
5	55	63	71	79	87	95	
4	55	65	75	85	95		
3	55	68	81	95			
2	55	75	95		•		

A school earns 55 points if it fails to meet any of its targets, and it earns 95 points if it meets all of the targets for which it is accountable. The number of points earned is proportional to the percentage of possible targets met by the school. The table above reflects these principles.

Schools with fewer than 25 tested students in math or literacy in the most recent year earn points for improvement based on three-year composites in those subjects rather than one-year. This ensures that no school, however small, has fewer than two possible targets.

Targets are based on schools' Annual Measurable Objectives (AMOs) as set in accordance with ESEA Flexibility. AMOs are individualized to each school. Growth-to-standard targets, in addition to being individualized to schools (i.e. schools have targets for the percentage of students meeting growth-to-standard), are based on student-level expectations for test score growth.

#### Determination of Meeting Test Score Targets

Each of the possible improvement targets can be met through any of four school-level *measures* on the applicable subject and student population: one-year proficiency, three-year weighted average proficiency, one-year growth-to-standard (henceforth GTS), or three-year weighted average growth-to-standard (GTS).<sup>2</sup> If a school meets or exceeds its individualized AMO in any of these four measures, then it meets the target for which the measure is used. Schools that fall short of their individualized AMO within a measure earn credit for meeting their AMO or target if they achieve at or above the percent of students proficient (or percent of students meeting GTS) at the 90<sup>th</sup> percentile rank of all schools in the state on that measure as per the ESEA Flexibility amendment. The value at the 90<sup>th</sup> percentile rank was set based on 2012 literacy and math performance.

Possible Targets	Possible Measures for Meeting Targets	Applicable Target Within Measure		
Literacy - All	Proficiency 1-Year or Proficiency 3-Year or GTS 1-Year or GTS 3-Year	AMO or 90 <sup>th</sup> percentile		
Literacy - TAGG	Proficiency 1-Year or Proficiency 3-Year or GTS 1-Year or GTS 3-Year	AMO or 90 <sup>th</sup> percentile		
Math – All	Proficiency 1-Year or Proficiency 3-Year or GTS 1-Year or GTS 3-Year	AMO or 90 <sup>th</sup> percentile		
Math - TAGG	Proficiency 1-Year or Proficiency 3-Year or GTS 1-Year or GTS 3-Year	AMO or 90 <sup>th</sup> percentile		

<sup>&</sup>lt;sup>2</sup> Schools without growth-to-standard (GTS) measures necessarily have only two measures available for meeting a target: one-year proficiency or three-year proficiency. Schools without GTS typically lack consecutive tested grades in math and/or literacy. Because consecutive testing occurs only in grades 3-8, such schools tend to serve either very young students (grade 3 and lower) or else are high schools (grade 8 and higher). High schools serving grade 7 and higher have GTS measures since grades 7 and 8 are consecutive tested grades in math and literacy.

#### Determination of Meeting Graduation Rate Targets

If a school has 25 or more expected graduates for All Students and/or TAGG then the group is counted in the total number of possible targets.

A school can meet graduation rate targets through either the most recently available graduation rate (the rate usually lags one year behind the year of available test scores), or through a weighted average of the three most recently available graduation rates. In both cases, the four-year adjusted cohort graduation rate(s) is/are used.

If a school meets or exceeds its individualized AMO in either of these measures, then it meets the target for which the measure is used. Schools that fall short of their individualized graduation rate AMO within a measure earn credit for meeting their AMO if they achieve at or above the graduation rate at the 90<sup>th</sup> percentile rank of all schools in the state on that measure as per the ESEA Flexibility amendment. The 90<sup>th</sup> percentile rank value was set based on 2011 graduation rates.

Possible Targets	Possible Measures for Meeting Target	Applicable Target Within Measure
Grad Rate - All	Graduation Rate 1-Year or Graduation Rate 3-Year	AMO or 90 <sup>th</sup> percentile
Grad Rate - TAGG	Graduation Rate 1-Year or Graduation Rate 3-Year	AMO or 90 <sup>th</sup> percentile

## Four-Year Adjusted Cohort Graduation Rate

Schools with at least 25 expected graduates may earn points for their graduation rate. The All Students four-year adjusted cohort graduation rate is added to the Overall School Score for schools with at least 25 expected graduates. These rates are calculated by the ADE. The graduation rate used in accountability determinations usually lags one year behind the year of the test scores used in the accountability determinations.

## Adjustments for Achievement Gaps and Graduation Gaps

A school's numeric scores in Weighted Performance and Graduation Rate are adjusted for the size of a school's proficiency and/or graduation rate gap between TAGG and non-TAGG subgroups within each school. This adjustment can result in schools earning a bonus if the gap is relatively small, a penalty if the gap is relatively large, or no change if the gap is average.

Note: Schools that do not have a TAGG or non-TAGG group of 25 or more students (i.e., do not have a within-school achievement gap) are given a zero for Gap Adjustment.

- A school's achievement gap is defined as the percentage point difference between proficiency rates for TAGG and non-TAGG students in math plus literacy (i.e., the numbers of Proficient and Advanced scores in math and literacy for nonmobile students in 2013 were summed and divided by the sum of valid test scores for math and literacy for nonmobile students in 2013).
- A school's graduation rate gap is defined as the percentage point difference between TAGG and non-TAGG graduation rates.

#### Achievement Gap Adjustment

The achievement gap is measured at the school level using proficiency rates rather than Weighted Performance. The gap is determined as follows:

#### Achievement gap = NonTAGG Proficiency % - TAGG Proficiency %

All schools with at least 25 tested students in each category (non-TAGG and TAGG) are then ordered on the size of each school's gap, from those with the largest percentage point gap to those with the smallest. Schools with the largest gaps earn a penalty. Schools with the smallest gaps earn a bonus. Schools with typical gap sizes receive a zero or no adjustment.

*Gap Adjustments* are determined by dividing the ordered list of all schools with achievement gaps into five groups or quintiles with equal numbers of schools in each group. Based on this classification, *Gap Adjustments* for achievement are assigned. The table below provides the gap sizes and gap adjustments.

······································	Largest Gap	Larger Gap	Average Gap	Smaller Gap	Smallest Gap
Gap Adjustment	-6	-3	0	+3	+6
Achievement Gap Range	24%	20-23%	16-19%	12-15%	Less than
	23.86% or greater	19.53-23.85%	15.93-19. <u>52%</u>	12.00-15.92%	12.00%

Round the school achievement gap to the nearest hundredth before comparing the values in the table.

### Graduation Rate Gap Adjustment

The graduation rate gap is measured at the school level using the difference in graduation rates between a school's non-TAGG and TAGG student populations.

### Graduation Rate Gap = NonTAGG Graduation Rate - TAGG Graduation Rate

All schools with at least 25 expected graduates in each category (non-TAGG and TAGG) are then ordered on the size of each school's gap, from those with the largest percentage point gap to those with the smallest. Schools with the largest gaps earn a penalty. Schools with the smallest gaps earn a bonus. Schools with typical gap sizes receive a zero or no adjustment.

Schools with graduation rates but with too few non-TAGG or TAGG students (< 25) to be eligible for a penalty or bonus are given a score of 0. *Gap Adjustments* for graduation rate are determined by dividing the ordered list of all schools with graduation rate gaps into five groups or quintiles with equal numbers of schools in each group. Based on this classification, *Gap Adjustments for graduation rate* are assigned. The table below provides the gap sizes and gap adjustments.

····	Largest Gap	Larger Gap	Average Gap	Smaller Gap	Smallest Gap
Gap Adjustment	-6	-3	0	+3	+6
Graduation Gap Range	16%	10-15%	7-9%	2-6%	Less than 2%
1 0	16.21% or greater	10.75-16.20%	<u>6.90-10.74%</u>	<u>3.66-6.89%</u>	<u>3.66%</u>

Round the school graduation gap to the nearest hundredth before comparing the values in the table.

## **Overall Score Calculation**

A school's overall score is calculated by applying the gap adjustment to Weighted Performance and/or Graduation Rate and summing over all the components as indicated below. Schools without graduation rates receive a multiplier to put all schools' overall scores on a scale of 300 possible points.

#### Schools with graduation rate:

Overall school score = (Weighted Perf. + Gap Adj.) + (Improvement) + (Grad Rate + Gap Adj.)

#### Schools without graduation rate:

 $Overall \ school \ score = (1.5)(Weighted \ Perf. + Gap \ Adj.) + (1.5)(Improvement)$ 

For schools without a graduation rate, both components of the overall score will be multiplied by 1.5 which puts the Overall School Score for these schools on the same possible points scale as schools with a graduation rate.

# Applying Cut Scores to the Overall Score to Determine Letter Grades

Schools' final scores are calculated by summing its scores on each component. The sum of these scores is capped at 300 possible points. Letter grades will be assigned as follows.

A = 270 - 300 points B = 240 - 269 points C = 210 - 239 points D = 180 - 209 points F = Less Than 180 points