F I S C A L   I M P A C T   R E P O R T

ORIGINAL DATE 03/04/13

SPONSOR HEC   **LAST UPDATED**   **HB** 481/HECS

SHORT TITLE Evidence of Teacher Competency   **SB**

ANALYST Pahl/Gudgel

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY13	FY14	FY15	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	$0.0	$0.0	$0.0	N/A	N/A	N/A

(Parenthesis ( ) Indicate Expenditure Decreases)

SOURCES OF INFORMATION
LFC Files

No Response From
Public Education Department (PED)

SUMMARY

Synopsis of Bill

The House Education Committee substitute for House Bill 481 (HB 481) amends the School Personnel Act to allow teachers to advance to level two and level three licenses by the following means:
1. Through a professional development dossier that includes evidence of meeting competency requirements, annual evaluations, superintendent's recommendation and a verification strand; or
2. An electronic submission that includes evidence of an instruction competency strand, a student competency strand and a professional learning competency strand; or
3. The teacher receives one of the two highest teacher evaluation ratings after teaching for three years or a satisfactory teacher evaluation rating after teaching for five years for advancement to level two licensure, or receives the highest teacher evaluation rating for at least two of the prior three years for advancement to level three licensure.

The bill defines the competency requirements to be evaluated in the professional development dossier for licensure advancement. Competencies are housed within three strands:

1. A teaching strand that includes evidence of student learning and performance, teacher instructional plans, materials, assessment and implementation of state education standards;

2. A student learning strand that includes evidence of teacher adaptations or modifications for diverse learners, classroom management strategies, observation reports and evidence of communication with students and parents; and
3. A professional learning strand that includes evidence of a teacher's professional development activities and collaboration with the professional community, including parent surveys, research publications, or professional publications

FISCAL IMPLICATIONS

HB 481 is not likely to have a significant impact on district salary costs or the Public Education Department's (PED) operating budget as the bill codifies the PED's current practice of allowing teachers to advance through the licensure system.

SIGNIFICANT ISSUES

The committee substitute codifies the PED's current practice of allowing teachers to increase licensure levels using a professional development dossier along with other requirements including teaching experience (these requirements are currently found in Section 6.69.4.11). The bill also expands the way a teacher can advance licensure to include an electronic submission showing competence and advancement with specified annual evaluation ratings. As such, the bill is not anticipated to have exceptional impact on the current process teacher use to advance licensure levels, or change the number of teachers advancing licensure levels.

Allowing advancement for teachers who receive the highest annual evaluation ratings accounts for differences in teacher ability, quality, and performance. This recognizes the impact effective teachers have on student learning. Additionally, it acknowledges job performance and high expectations of teachers.

PERFORMANCE IMPLICATIONS

The PED analysis of HB 276 noted teachers that are in the top twenty percent of effectiveness ratings leave the profession at the same rate as the overall trend of the workforce, between three and five years. Retention of the top twenty percent of teachers is critical for the improvement of the overall student performance. Raising expectations is reported to be a main factor in the retention of the most effective teachers. The committee substitute aligns the three tiered licensure system to classroom performance of teachers by allowing teachers in the top annual evaluation tiers to advance licensure without submitting a professional development dossier or electronic submission that includes evidence of competency. The alignment to annual evaluations eliminates additional burden and costs on individual teachers in the advancement process.

ADMINISTRATIVE IMPLICATIONS

HB 481 should not change the current administrative burden associated with teachers advancing licensure levels. See Significant Issues, above.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

SB 475 is related.

HB 276 also amends the School Personnel Act to provide for advancement through the three-tiered licensure system by directly linking effectiveness in the classroom to licensure advancement.

SB 418 also addresses teacher licensure requirements. The bill requires applicants for a level one elementary teaching licensure to show individual content knowledge in language arts, mathematics, science and social studies. HB 167 is a duplicate bill to SB 418.

OTHER SUBSTANTIVE ISSUES

A recent LFC staff evaluation of the three tiered licensure system and effective teaching in New Mexico recognized quality teaching is the most influential school factor affecting academic success. Previous evaluations of the three tiered system confirmed the system decreasing widespread teacher shortages, reducing unqualified teachers, and improving teacher pay. Student performance, however, has not improved with taxpayer investments in teacher pay. Student performance within teacher licensure levels and between licensure levels suggests the local and state evaluation systems are not screening teachers for their effectiveness in the classroom. Furthermore, each licensure level has high and low performing teachers. The three-tiered system continues to offer a solid framework to align resources to performance, but student achievement must be better incorporated into the process. If modified, student achievement could be a data-driven concern for all teachers and serve as a way to reward the state's best teachers and intervene for struggling teachers.

The PED has sought, through rule, to improve the local evaluation component of the three-tiered system and initiated two task forces to examine how to incorporate student achievement, including using VAMs, into a new system. However, statutory changes not addressed by the new PED rule are necessary to reform local evaluations and the state licensure system.

Key findings of the report include:

- New Mexico's three-tiered career ladder system does not align pay with student achievement.
    - Improving student achievement was a key policy goal of implementing the three-tiered system. However, the state has not established expectations for student achievement in evaluation of level I, II, and III teachers.
    - The local evaluation system does not differentiate between high and low performing teachers or focus on student achievement.
    - The professional development dossier (PDD) does not effectively screen teachers for advancement, resulting in ineffective teachers receiving large pay increases.
    - The state allows low-performing teachers to keep their license level because the state does not have a rigorous license renewal process.
    - The three-tiered system offers a framework to align resource allocation to performance, but student achievement must be better incorporated into the process.

Recommendations of the report included:

- Replace the PDD and establish the effective teaching portfolio (ETP) as part of the licensure advancement application with new requirements and competencies. The ETP

will have new requirements strengthening expectations for student achievement, requiring satisfactory annual evaluations, and allowing the most effective teachers, as measured by a statewide value added model (VAM), to bypass the ETP process;

- Create licensure terms for level one, two, and three licenses. Level one licenses should have a five-year license term; and teachers must submit for renewal after three years; level two and level three licenses should have an eight-year term and teachers must submit for renewal after six years;
- Create new requirements for level two and level three licensure renewal, including meeting student performance expectations through the ETP or statewide VAM, and allowing teachers not meeting those expectations extra time to show competency before being denied renewal of a teaching license;
- Require the PED to annually rank the performance of licensed teachers providing instruction in tested grades and subjects through two different value-added models;
- Establish updated basic competency and effectiveness indicators for teachers, as part of the ETP, including setting new student achievement expectations for level two teachers and more rigorous student achievement expectations level three teachers.

The report also recommends that annual evaluations be based on whether the teacher met or exceeded expectations on Basic Competency and Effectiveness Indicators, made satisfactory progress on professional development goals, and received satisfactory ratings from students and parents, and includes classroom observations from principals. The report recommends value added models (VAMs) ***should not be used in annual local evaluations because of their limitations and complexity.*** This recommendation differs from the PED rule establishing annual evaluations.

The full report can be found at:
http://www.nmlegis.gov/lcs/lfc/lfcdocs/perfaudit/Public%20Education%20Department%20%E2%80%93%20Promoting%20Effective%20Teaching%20in%20New%20Mexico.pdf

MMP:RSG/blm:svb