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## FISCAL IMPACT REPORT

ORIGINAL DATE 02/14/12

SPONSOR Morales LAST UPDATED \_\_\_\_\_ HB \_\_\_\_\_

SHORT TITLE Teacher Evaluation Framework SB 315/SEC

ANALYST Gudgel

### ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY12	FY13	FY14	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
<b>Total</b>		See Fiscal Implications				

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

Responses Received From  
Public Education Department (PED)

### SUMMARY

#### Synopsis of Substitution Bill

Senate Education Committee Substitute for Senate Bill 315 amends and enacts new sections of the School Personnel Act. The bill establishes a council to develop recommendations for a state teacher evaluation framework for the Public Education Department to consider in adopting a state teacher, principal and head administrator evaluation program that is based on at least four effectiveness ratings. PED will be required to adopt a teacher evaluation program that is 20 percent based on formative classroom observations, 20 percent based on summative classroom observations, 30 percent based on student learning, 10 percent based on school progress as measured by meeting the educational plan for student success goals, and 20 percent based on student feedback from student surveys to be implemented by the 2013-2014 school year. The department will be required to adopt a principal and head administrator evaluation program that is based 30 percent on the instructional achievement and school progress as measured by the educational plan for student success goals, 20 percent based on the operations of the school, 20 percent based on execution of teacher evaluations and provisions for supporting improvement in teacher performance, 20 percent from teacher and staff feedback compiled from surveys, and 10 percent based on student and parent feedback compiled from surveys to be implemented by the 2013-2014 school year.

The bill requires all charter schools to implement the new evaluation programs for teachers and head administrators.

The bill amends the School Personnel Act to require teachers to be evaluated for effectiveness in teaching, and aligns the three tiered licensure system with the state teacher evaluation program.

Beginning with the 2013-2014 school year, the bill mandates that a teacher will be terminated when they earn the lowest performance rating for effectiveness after participating in a peer intervention program.

The bill maintains that an applicant for a level three-B license administrator's license must demonstrate instructional leader competence.

Level two or three-A teachers receiving the lowest performance rating for effectiveness in teaching may be required by the principal or head administrator to participate in a peer intervention program and receive mentoring. Those unable to demonstrate effectiveness by earning a higher performance rating by the end of the peer intervention period may be terminated.

The bill eliminates the provision allowing three year employment contracts for certified school instructors who have been employed in the school district for three school years. Contracts will be limited to one-year contracts.

The bill makes numerous other technical fixes.

## **FISCAL IMPLICATIONS**

House Bill 2 includes \$1 million in nonrecurring funding through the end of fiscal year 2013 to support transition to a teacher evaluation system that is based on student achievement growth.

The executive recommendation included \$3 million in nonrecurring funding to support transition to teacher effectiveness evaluations during FY12, FY13 and FY14. The executive recommendation specifically relates to Senate Bill 293 and House Bill 249 – establishing the Teacher and School Leader Effectiveness Act pursuant to the recommendations of the Effective Teaching Task Force. The department would use \$500 thousand to support the creation and Convening of a Technical Advisory Committee to provide guidance and technical assistance to the state on the development of the statistical model used to measure impact on student learning, baseline data runs, dissemination of information on the new system to school districts and schools, and technical assistance and training to districts on the new evaluation system. The remaining \$2.5 million would be disseminated by means of a competitive grant process to support regional implementation efforts of new teacher and school leader evaluation systems, including technical assistance and training at the school level, identification of additional measures to be included in the overall system, staff training and support on teacher observations, and alignment of professional development to evaluation outcomes.

The department's has not provided an analysis of the Committee Substitute.

Implementation of this bill may have a similar fiscal impact as the department estimated for Senate Bill 293 and House Bill 249. Immediate costs in the first year will be related to the creation of the council that will be able to request reimbursement for council members and workgroup members for travel expenses pursuant to the Per Diem and Mileage Act if the

department has sufficient funds in its budget.

After adoption of the teacher evaluation system, the bill requires ongoing training and collaboration to ensure teachers understand student data and have to the resources to provide instruction that responds to student data appropriately. The bill also requires ongoing training on the implementation and use of the evaluation program for teachers and evaluators.

According to the National Comprehensive Center for Teacher Quality, *A Practical Guide to Designing Comprehensive Teacher Evaluation Systems* (a reading required by the PED for all Effective Teacher Task Force members) “most measures require some level of training. The amount of training required to implement the evaluation system is highly dependent on the type of measure being considered. For example, value-added measures of student growth would require training related to the technical aspects of the system and how the data can be interpreted. Observations would require a substantial investment in training for evaluators to ensure interrater reliability as well as training for teachers and administrators in using to results to inform practice. States need to consider their own human capital strengths and limitations in making decisions about measurement types to ensure that implementation fidelity is maintained. Moreover, local capacity limitations should be considered. For example, it may be unrealistic to mandate a large investment in training raters if state and district budgets are tight. District may need flexibility in funding and implementing evaluation models with the resources they have. Implementation fidelity is most important when the selected measures are dependent on human scoring with observation instruments or rubrics. Effective evaluator selection and training is essential if the integrity of the system is to be maintained, ensuring that the resulting scores are fair and defensible. Including targeted evaluator training with explicit decision rules and examples of evidence that would justify one performance rating over another may help with interrater reliability...”

When high-stakes decisions are being made, multiple observations are necessary. For teachers facing high-stakes decisions, the standard of reliability should be high. Research suggests that a single observation cannot meet that standard. Averaging scores over multiple lessons can reduce the influence of any atypical lesson. The bill requires a teacher to be observed twice annually by a team of certified evaluators (licensed level three educators selected, trained and certified by the department) and twice annually by teacher’s school principal or head administrator. The requirement to conduct 4 observations annually, two of which are conducted by a team of certified evaluators, may increase district costs related to annual evaluations dependent on current district practices.

### **SIGNIFICANT ISSUES**

The bill provides a means to differentiate among multiple levels of performance in teacher, principal and head administrator evaluations. In current teacher evaluations, teachers either meet competencies or do not meet competencies. The bill does not require evaluations to be based on student test scores. A portion of the evaluation will be based on student learning measured by student learning objectives. “student learning objectives” mean teacher-designed and –created clear and specific goals that are aligned to the standards.

The bill requires the Public Education Department to convene a council to develop recommendations for a teacher evaluation framework and a principal and head administrator evaluation framework for the department to consider in adopting a teacher, principal and head

administrator evaluation program. The Secretary of PED will appoint council members to include sixteen teachers of differing licensure levels and from different school configurations, six principals, two head administrators, and two representatives of a public school parent organization.

The council will make specific comprehensive recommendations by December 31, 2012 for a state teacher evaluation framework and for a principal and head administrator evaluation framework for evaluating each licensure level of licensed teachers and principals and head administrators and determining effectiveness based on at least 4 levels of effectiveness (distinguished, proficient, basic, and unsatisfactory). The evaluation framework will include criteria for selecting, certifying and training a team of certified evaluators, criteria for assessing school progress on the educational plan for student success, criteria for assessing a school environment and management by a principal or head administrator, criteria for using student learning objectives as a component of measuring effectiveness collecting and using student surveys, training for establishing and implementing peer assistance, review and intervention programs for teachers.

The Council will make additional specific and comprehensive recommendations for the department's adoption of a teacher, principal and head administrator program that integrates the evaluations in ways that best serve and support student learning, training materials and guidance, the sequence and schedule of measures to be taken in response to evaluations, alignment of the evaluations with the current licensure and compensation systems, and any changes to laws and rules related to personnel decisions.

By April 30, 2013 the department will be required to adopt new teacher, principal and head administrator evaluation programs.

PED will be required to implement the evaluation program and rules, and make available related materials to schools by May 1, 2013. Beginning with the 2012-2014 licensed teachers will be evaluated by a team of certified evaluators and the teacher's school principal or head administrator using the new evaluation system.

School districts will be required to begin evaluating licensed teachers annually using the new evaluation system during the 2013-2014 school year.

### **PERFORMANCE IMPLICATIONS**

Effective teachers could improve student outcomes and close the achievement gap.

### **ADMINISTRATIVE IMPLICATIONS**

The department will be required to staff the council and then adopt and implement a new teacher evaluation system, including promulgating rules. After adoption, schools will be required to conform their evaluation systems to the new teacher evaluation system.

The evaluation system must provide support to school district and charter schools for implementing the new evaluation programs that includes ongoing training and collaboration to ensure teachers understand student data and have the resources to provide responsive instruction, training in the implementation and use of the evaluation program, and appropriate training for certified evaluators.

The Council and the department will be required to present a draft status report on the effectiveness of the implemented teacher, principal and head administrator evaluation program and distribute the draft to all school districts, charter schools and post-secondary educational institutions for comments by March 1 of 2014 and 2015. A final report must be submitted to the governor and the legislative education study committee by June 1 of 2014 and 2015.

### **CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

Committee Substitute for Senate Bill 315 is similar. Committee Substitutes for House Bill 249 and Senate Bill 293 are conflicting bills.

### **TECHNICAL ISSUES**

House Education Committee Amendment number 1 specifies that two of the Council members who are teachers must be nominated by “charter school”. “Charter school” should be plural, reading “charter schools”.

New language in Section 22-10A-22 NMSA 1978 mandates termination of any employee who earns the lowest performance rating for effectiveness in teaching after participating in a peer intervention program (page 26, lines 14-18); however, existing language in Section 22-10A-24 NMSA 1978 prohibits the superintendent from terminating a school employee who has been employed by the district or a state agency for three consecutive years without just cause. “Just cause” is defined as “a reason that is rationally related to an employee's competence or turpitude or the proper performance of the employee's duties and that is not in violation of the employee's civil or constitutional rights.” Section 22-10A-2 NMSA 1978. The legislature may want to consider including “earning the lowest performance rating for effectiveness in teaching after participating in a peer intervention program” in the definition of just cause to avoid legal challenge.

The bill specifies that PED and the council will be required to prepare a final status report and provide it to the governor and the Legislative Education Study Committee. The Legislature may wish to include the Legislative Finance Committee as a recipient of the final report.

### **OTHER SUBSTANTIVE ISSUES**

**MET Project:** Early findings from the Bill & Melinda Gates Foundation Measuring Teacher Effectiveness (MET) project, Gathering Feedback for Teaching, indicate: in every grade and subject studied, a teacher's past success in raising student achievement on state tests (the teacher's value-added) is one of the strongest predictors of the teacher's ability to do so; teachers with the highest value-added scores on state tests tend to help students understand math concepts or demonstrate reading comprehension through writing; the average student knows effective teaching when he or she experiences it; valid feedback need not be limited to test scores alone (by combining different sources of data, it is possible to provide diagnostic, targeted feedback to teachers who are eager to improve).

**Council of Chief State School Officers:** The Council of Chief State School Officers (CCSSO), through its Interstate Teacher Assessment and Support Consortium (InTASC), drafted a set of 10 model core teaching standards that outline what teachers should know and be able to do to ensure every K-12 student reaches the goal of being ready to enter college or the workforce. The standards outline the common principles and foundations of teaching practice that cut across all

subject areas and grade levels and that are necessary to improve student achievement. The Model Core Teaching Standards articulate what effective teaching and learning looks like in a transformed public education system – one that empowers every learner to take ownership of their learning, that emphasizes the learning of content and application of knowledge and skill to real world problems, that values the differences each learner brings to the learning experience, and that leverages rapidly changing learning environments by recognizing the possibilities they bring to maximize learning and engage learners. The standards relate to the Learner: learner development learning differences and learning environments; Content: content knowledge and application of content; Instructional Practice: assessment, planning for instruction and instructional strategies; and Professional Responsibility: professional learning and ethical practice and leadership and collaboration.

**ESEA Waiver:** As part of the department’s Elementary and Secondary Education Act waiver request, the PED agreed to implement a redesigned teacher and school leader evaluation system that included student learning as a significant component. The department’s timeline for implementing a teacher and school leader evaluation system that includes student learning as a significant component is as follows. The department’s timeline specifically relates to Senate Bill 293 and House Bill 249 – establishing the Teacher and School Leader Effectiveness Act pursuant to the recommendations of the Effective Teaching Task Force.

- February 2012 – pass legislation establishing a new teacher and school leader effectiveness evaluation system;
- December 2012 – complete baseline data runs and finalize rules;
- January 2013 to August 2013 – technical assistance and training for districts on the new evaluation system;
- 2013-2014 school year – phase 1 of implementation
- 2014-2105 school year – phase 2 of implementation

As of February 9, 2012, New Mexico is the only state of the original 11 states that has not been granted a waiver. A press release issued by the U.S. Department of Education indicates the USDOE is continuing to work closely with New Mexico.

## **ALTERNATIVES**

Pilot and adjust the evaluation system before implementing it on a large scale.

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