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FISCAL IMPACT REPORT

ORIGINAL DATE 03/02/15
 SPONSOR HEC LAST UPDATED 03/17/15 HB 144/HECS/HECS
 SHORT TITLE Teacher & School Leader Effectiveness Act SB _____
 ANALYST Gudgel

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY15	FY16		
	See Fiscal Implications		

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY15	FY16	FY17	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		See Fiscal Implications				School District Operating Budgets

(Parenthesis () Indicate Expenditure Decreases)

Relates to Appropriation in the General Appropriation Act

SOURCES OF INFORMATION

LFC Files

Responses Not Received From

Public Education Department (PED)

SUMMARY

Synopsis of Bill

House Education Committee Substitute for House Education Committee Substitute for House Bill 144 enacts the Teacher and School Leadership Effectiveness Act (Act) in the Public School Code. The bill places in statute a framework that is similar to the Public Education Department's current teacher and school leader evaluation system the department implemented by rule. The bill establishes evaluation procedures for teachers and school leaders based on student growth and other measures, including observations that differentiate a minimum of five performance levels. The bill requires a written report of evaluation results to be provided to all evaluated employees and establishes supports and corrective action procedures for minimally effective and ineffective teachers. The bill also amends other provisions of the School Personnel Act to

require teachers and school principals be evaluated pursuant to the Teacher and School Leadership Act. The bill has a severability clause.

FISCAL IMPLICATIONS

The bill does not include an appropriation. However, significant funds have been appropriated over the past several years to support the department's new evaluation system, including the following:

- \$5 million recurring general fund revenues in 2014 for use in FY15;
- \$3.4 million nonrecurring general fund revenues in 2013 for use in FY13 and FY14; and
- \$1 million nonrecurring general fund revenues in 2012 for use in FY12 and FY13 (reauthorization of a portion of an appropriation made in 2011).

House Bill 2 includes \$5 million for the evaluation system for FY15. PED has indicated funds will be used as follows:

- \$1.9 million for maintenance and support of the online Teachscape system;
- \$200 thousand to develop and review additional end-of-course exams;
- \$1.0 million to continue end-of-course exams online;
- \$1.2 million for trainings and webinars; and
- \$700 thousand to provide support to school districts.

While enactment of this bill does not have direct fiscal implications, it is likely general fund support will continue to be requested annually to support the evaluation system. Additionally, future requests for funding may increase. For FY15, PED requested \$6 million for the evaluation system; because of declining revenue growth projected in FY16, the executive recommendation was flat.

While the bill appears to impose significant duties on PED, school districts, and charter schools, the department has already enacted many of the requirements of the bill through regulations. The bill changes the percentages of components of the evaluation system currently implemented by PED. While the bill may not significantly change evaluation procedures as adopted by PED, current evaluation requirements are having a significant impact on school district and charter school operations – including significant administrator time allocated to annual evaluations. Additionally, local resources are also being allocated to ensure evaluations are completed and to provide support to educators rated minimally effective and ineffective who are at risk of losing their PED-issued licenses and teaching contracts.

SIGNIFICANT ISSUES

The bill establishes evaluation procedures for annual evaluations of teachers, principals, and head administrators of charter schools.

- The bill provides for identification of teaching fields that require special evaluation procedures, including special education and English as a second language.

- Student achievement growth will be based on a PED-approved, standards-based assessment except for subjects and grades not measured by state assessments, which shall be measured by school district and charter school developed assessments.
- School leader evaluations should include indicators based on each of the leadership standards adopted by PED.

School Teacher Evaluations

Teacher evaluations will be generally based on the following unless otherwise provided in the Act:

- 40 percent = measures of student achievement growth (SAG) unless less than 3 years of data available, then:
 - 1 or 2 years SAG = 25 percent
 - No SAG data = not part of the evaluation
- 40 percent = observations completed by a certified observer
 - Feedback must be given to classroom teachers within 10 days of completion of the observation.
- 20 percent = at least one PED-approved multiple measure

The bill includes a provision that prohibit certain teachers from receiving a minimally effective or ineffective ratings in as follows:

- A teacher whose measure of student achievement growth is “one year of expected growth or more”, who will be deemed as meeting competency in that component regardless of ratings on other components; and

School Leader Evaluations

- 40 percent = measure of SAG for student assigned to the public school over the course of three years and based on the SAG component of the school’s A through F letter grade
- 20 percent = at least one PED-approved multiple measure
- 40 percent = observation conducted by the superintendent

Student Achievement Growth (SAG)

Section 6 of the bill requires PED to propose a formula to measure individual student achievement growth on the state standardized assessments used for school accountability by July 1, 2015 and adopt a formula by September 1, 2015

For Teachers

- Based on PED approved standards-based assessment, whether school district developed or chosen from a PED list of options.
 - If a school district requests, they may use student achievement growth demonstrated on state assessments as a percentage of an overall effectiveness evaluation for classroom teachers in courses not associated with state assessments. In this case, the assessment results used must be from students in the teacher’s class.
- Measure of growth to be adopted and calculated by PED for all course associated with state assessments or district or charter-created PED-approved assessments
 - Comparable measures of SAG to be used for other grades and subjects.

For Administrators

- Based on the SAG component of the school’s A through F letter grade.

Written Report and Corrective Action

The bill provides for a review, at the request of a school district of a teacher who is:

- rated exemplary or highly effective on the observation or multiple measures components and rated minimally effective or ineffective on the student achievement growth component; or
- rated minimally effective or ineffective on the observation or multiple measures components and rated exemplary or highly effective on the student achievement growth component.

The bill allows a local superintendent to appeal to PED concerning the advancement and license revocation or renewal of any teacher whose effectiveness ratings are described in the two above bullets.

The bill requires each evaluator to provide a written evaluation report to each evaluated employee and the superintendent including a description of minimally effective or ineffective performance which will constitute notice of uncorrected unsatisfactory work performance pursuant to the School Personnel Act. Each teacher or principal evaluated as minimally effective or ineffective will be required to participate in a post-evaluation conference that will provide the initial framework for an individual performance growth plan. The bill requires strategic support aligned with best practices for all teachers and principals rated minimally effective or ineffective.

For teachers and principals who have an employment contract and are rated minimally effective and ineffective, they will have 90 day after being placed on a performance growth plan to demonstrate corrective action, which will include progress monitoring. The employee will be evaluated again within five days after the 90-day corrective action period to determine whether performance deficiencies have been corrected. The evaluator will be required to forward a recommendation to the superintendent and within 10 days the superintendent will be required to notify the employee if performance deficiencies have been corrected. If deficiencies still exist, the superintendent will be required to determine whether to discharge the employee pursuant to existing provisions of the School Personnel Act.

The bill requires the local superintendent to notify PED of any teacher or principal who receive two consecutive minimally effective or ineffective evaluations and has been given written notice that they are being discharged or terminated. The bill allows the local superintendent to appeal to PED for an extension of a teacher's license if that teacher's license is expiring in the year the teacher is rated minimally effective or ineffective.

The bill allows PED to provide exemptions to these provisions for extraordinary circumstances.

ADMINISTRATIVE IMPLICATIONS

The bill places the current teacher and school leader evaluation system in statute with minor changes from what is currently in regulations, including the weight of each component of annual evaluations. Because of this, additional administrative implications are minimal. PED would need to make adjustments to the current regulation to fully align it with the bill, which could likely be completed quickly and with existing resources.

RELATIONSHIP

SB 348, SB 205, and SB 390 are related.

TECHNICAL ISSUES

The bill eliminates the term “highly objective uniform statewide standard of evaluation” from Section 22-10A-19; however, the term is still found in the following sections: 22-10A-4, 22-10A-7, 22-10A-10, and 22-10A-11. These terms should be replaced as well to conform to the provisions in this bill.

OTHER SUBSTANTIVE ISSUES

PED’s analysis of the original bill noted that the department implemented the NMTEACH effectiveness system for all teachers and principals in FY14. The evaluation system replaced a system that ranked educators as meeting competence or not meeting competence with a system that recognizes different levels of effectiveness, allowing struggling teachers to be identified so they can receive additional support and improve their practice.

PED noted that the original bill was misaligned with the state’s waiver from provisions of the federal Elementary and Secondary Education Act (ESEA) - the federal government approved the state’s waiver request in exchange for the promise of an evaluation system based on the following categories and proportions: student achievement 50 percent; teacher observations 25 percent; and PED-approved multiple measures 25 percent. LFC staff notes the U.S. Department of Education (DE) has approved evaluation systems with different proportions of the above mentioned categories. It is likely that the changed proportions in this committee substitute would not result in the loss of the waiver; however, it may result in the need to have DE review and re-approve the changes.

PED indicated New Mexico was one of only seven states that were provided with the opportunity to submit the states ESEA waiver renewal on a fast track because of the state’s efforts to fully implement NMTEACH.

In the first year of implementation, the student achievement portion of the evaluation identified 299 exemplary teachers and 1,431 highly effective teachers, while observations alone identified only 88 exemplary teachers and 1,374 highly effective teachers.

RSG/bb/je