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## FISCAL IMPACT REPORT

**ORIGINAL DATE** 1/25/15  
**SPONSOR** Sapien **LAST UPDATED** \_\_\_\_\_ **HB** \_\_\_\_\_

**SHORT TITLE** Delay Use of Certain Test in Teacher Evals **SB** 205

**ANALYST** Gudgel

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY15	FY16		
	NFI		

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

Responses Received From  
 Public Education Department (PED)

### SUMMARY

#### Synopsis of Bill

Senate Bill 205 prohibits the use of student test scores on standards based assessments as follows:

- For the 2014-2015 and 2015-2016 school years for the determination of annual letter grades of schools pursuant the A-B-C-D-F Schools Rating Act; and
- For the 2015-2016 and 2016-2017 school years for annual performance evolutions of licensed school employees pursuant to Section 22-10A-19 NMSA 1978 (School Personnel Act)

### FISCAL IMPLICATIONS

The bill does not have any direct fiscal implications; however, the state has been granted an ESEA Flexibility Waiver from certain provisions of the federal Elementary and Secondary Education Act. The waiver allowed the state to redirect approximately \$10 million in federal Title I funds based on the new grading system rather than distributing pursuant to adequate yearly progress (AYP), which was an ineffective system to be used as a basis for funding decisions. If the state loses the waiver, funds will have to be distributed based on the AYP system and supplemental education services would be reinstated.

## SIGNIFICANT ISSUES

The state administers a standards-based assessment (SBA) to students in third grade through eighth grade and eleventh grade annually. Data from the SBA is included in the school grading system, teacher and school administrator evaluation systems. Until the 2014-2015 school year, the state administered the old New Mexico standards-based assessment (NMSBA); however, because of implementation of new content standards (common core state standards), the state is transitioning to the Partnership for Assessment of College and Career Readiness standards-based assessment (PARCC) in the 2014-2015 school year.

Testimony by both the PED and data experts over the past several years has indicated, when test data is to be used for value added models in the school grading system and educator evaluation systems, a minimum of three years of data should be used to achieve the most reliable results. Concerns exist that student growth calculations under the two systems will be difficult to make with different test data that has new scales and proficiency levels and results may be unreliable. Additionally, PED has indicated it is likely student test scores will drop on the new PARCC assessment, raising more concern for educators statewide. Concerns exist that decreasing proficiency scores on the PARCC assessment will have a negative effect on annual teacher and school leader evaluations. Given the high stakes included in the current evaluation system (individuals receiving ineffective or minimally effective evaluations may lose their license or face non-renewal of their teaching contracts), educators argue data from at least the first year but ideally the first two years should not be included in annual evaluations.

The delay in the bill for use of PARCC scores in school grades is for the first and second year of administration of the PARCC assessment. Educator evaluations use assessment data from the preceding three school years – FY15 evaluations will include assessment data from the FY14, FY13, and FY12 school years and will not include new PARCC assessment data. Under the current evaluation process, the first and second year of PARCC data will be included in FY16 and FY17 evaluations respectively.

The Public Education Department's response notes that the bill places a two-year suspension on school and educator accountability. However, the bill does not place a two-year suspension on school and educator accountability; it places a two-year suspension on a single data source used in each of the systems. School grades and teacher and school leader evaluations would still be completed each of the three school years implicated by the bill (2014-2015, 2015-2016, and 2016-2017); however, they would be based on a combination of all other data sources.

PED also notes it may be difficult to hold declining schools accountable for poor student performance, having a ripple effect that would set back timelines for all interventions and educational improvements. The department's analysis states much work has been done over the last few years to implement the new common core state standards (CCSS) in all grades, including intensive professional development and educational outreach, and delaying evaluations or school grades would result in providing less meaningful feedback to educators on whether their efforts have been effective. Given this concern, the Legislature may wish to consider allowing PARCC to be included in annual school grades and educator evaluations but suspending high-stakes personnel decisions tied to poor performance.

PED also notes that New Mexico is obligated to identify schools that are in need of improvements and/or rewards to the federal government annually without interruption, and these

classifications are accurately derived directly from metrics used in the states A through F school grading system. Additionally, PED notes the state's approved Elementary and Secondary Education Act flexibility waiver requires a fully educator evaluation system. LFC staff notes that the federal government allowed flexibility from ESEA waiver requirements to delay, for one year, the high-stakes personnel decisions related to the use of student growth measures in educator evaluations; however, PED did not apply for this flexibility.

PED's analysis also notes the department has implemented strategies to smooth the transition from the NMSBA to PARCC. The department examined alignment of the NMSBA with the new common core state standards in 2012 and provided a specialized report of aligned NMSBA items to schools and school districts, including providing feedback on their success in meeting new standards. Alignment between the NMSBA and PARCC was found to be extremely close in reading/language arts (80 percent) and over 40 percent in mathematics. PED also notes that the school grading and educator effectiveness systems utilize computations that are responsive to changes in assessment scales. In *Current Standing*, where there will be some discontinuity, the PED has proposed a three-year phase in of the new proficiency levels to ease the transition. Also, equating methods are being used to align scores on the NMSBA with the PARCC so that growth appraisal of students and of schools across a three year period is not interrupted.

#### **ADMINISTRATIVE IMPLICATIONS**

PED notes that delay of use of PARCC scores in school grades and educator evaluations could result in the loss of the ESEA flexibility waiver, returning New Mexico to the outdated adequate yearly progress (AYP) system of accountability.

#### **ALTERNATIVES**

Allow annual letter grades and teacher and school leader evaluations to include PARCC data during the years in question but suspend the high-stakes personnel implications of negative outcomes for a year or two.

Request a waiver from the U.S. Department of Education for high-stakes personnel decision related to evaluation results.

RSG/bb