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FISCAL IMPACT REPORT

SPONSOR Morales ORIGINAL DATE 1/27/17
 LAST UPDATED 3/15/17 HB _____

SHORT TITLE Teacher & Principal Evaluation System SB 34/aSf1#1

ANALYST Liu

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY17	FY18	FY19	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		See Fiscal Implications			Nonrecurring	PED Operating Budget

(Parenthesis () Indicate Expenditure Decreases)

Duplicates HB125
 Relates to HB41, HB105, HB124, HB158, HB241, HB248
 Conflicts with HB350

SOURCES OF INFORMATION

LFC Files
 Legislative Education Study Committee (LESC) Files

Responses Received From

Public Education Department (PED)
 Higher Education Department (HED)
 Regional Education Cooperatives (REC)

SUMMARY

Synopsis of SFI#1 Amendment

The Senate Floor amendment to Senate Bill 34 inserts a provision precluding a teacher's use of leave from affecting the annual performance evaluation, if used consistently with the local education agency's policy. If the local education agency determines that a teacher is using sick leave inappropriately, the evaluation may reflect the lowest score with respect to teacher attendance.

Synopsis of Original Bill

Senate Bill 34 establishes a council to develop and recommend a new teacher and principal evaluation system. The bill requires the PED secretary or the secretary's designee to serve on the council and appoint geographically diverse members including:

- two National Education Association members;
- two American Federation of Teachers New Mexico members;
- 16 teachers statewide, comprised of:
 - two current elementary school teachers with a level two license;
 - two current middle school teachers with a level two license;
 - two current middle school teachers with a level three license;
 - two current high school teachers with a level two license;
 - two current high school teachers with a level three license;
 - two current charter school teachers with a level two license; and
 - two current charter school teachers with a level three license; with
 - at least three, but no more than five, teachers specializing in special education, bilingual, or English language learner services; and
- six principals statewide, comprised of:
 - two current elementary school principals;
 - two current middle school principals; and
 - two current high school principals; and
- two head administrators selected by the New Mexico Coalition for Charter Schools; and
- two representatives of a public school parent organization.

The council will work from June 1, 2017, through December 31, 2021, and provide recommendations to PED by July 31, 2018. PED will have until August 15, 2019, to adopt the council's recommendations and establish the administrative responsibilities of carrying out the new teacher and principal evaluation.

The bill limits measures of student learning, growth, and achievement based on assessments to no more than 20 percent of the teacher or principal's evaluation. Other measures, as determined by the district, such as formative and summative observation data, student learning measured by student learning objectives, research-based surveys, and school progress will make up the other 80 percent of the teacher or principal's evaluation. The bill also charges the council with establishing criteria for how teacher and principal evaluations will be conducted.

The council will continue to meet from March 1, 2020, through March 1, 2021, to prepare draft reports on the implementation of the state teacher and principal evaluation. The reports must be distributed to all school districts, charter schools, and public post-secondary education institutions for comments. Final reports will be presented to the governor and Legislative Education Study Committee by July 31, 2020, and July 31, 2021, detailing the number of teachers and principals at each rating level, summaries of feedback from surveys, and recommendations for continuation or modification of the new evaluation system.

FISCAL IMPLICATIONS

The bill does not provide an appropriation but makes members of the council and any related work groups eligible to be reimbursed for travel expenses pursuant to the Per Diem and Mileage Act if PED has sufficient funds in its budget. PED's FY18 request for in-state travel and board member costs associated with mileage and fares totaled \$162.6 thousand. Costs will vary depending on the frequency of in-person council meetings and PED's available travel budget. Future PED budget requests may also increase as a result of the council's recommendations.

SIGNIFICANT ISSUES

The teacher evaluation process is being challenged in two lawsuits. The first lawsuit, brought by the American Federation of Teachers New Mexico, the Albuquerque Teachers Federation, and other plaintiffs, argues the state's teacher evaluation system is unfair and could put teachers at risk of being punished or fired. The other lawsuit, brought by the National Education Association of New Mexico, claims the evaluation system unlawfully takes control of teacher evaluations and supervision away from local school districts.

In December 2015, state District Judge David Thomson granted a preliminary injunction preventing consequential decisions against teachers using the state's teacher evaluation data until the state developed a reliable, fair, and uniform system. PED announced in January 2016 plans to simplify the evaluation system and make it more uniform across the state by reducing the number of tests included in calculating teachers' scores, ending the use of student achievement data over a year old, removing a measure that evaluated teachers on students they had never taught, and releasing evaluation results in the fall rather than the spring. The American Federation of Teachers New Mexico case has been scheduled for a hearing on October 23, 2017.

PERFORMANCE IMPLICATIONS

Changes to the evaluation system may affect performance measures relating to teacher effectiveness ratings and professional development trainings offered by the department.

ADMINISTRATIVE IMPLICATIONS

PED would be required to provide staff and assistance to the council from FY18 to FY21 to execute provisions of the bill. Staff will need to assist the council in completing recommendations, promulgating rules, providing appropriate training, addressing appeals, evaluating changes, compiling student data, and offering support related to the new evaluation system.

CONFLICT, DUPLICATION, RELATIONSHIP

This bill duplicates HB125 and relates to HB41, which establishes an alternative level 3-B teacher license track; HB105, which establishes waivers for teachers to conduct innovative teaching approaches; HB124, which amends requirements for teacher licensure advancement; HB158, which establishes teacher evaluation system pilots for select districts; HB241, which limits the use of teacher attendance in evaluations; and HB248, which establishes uniform statewide standards for teacher evaluation. The bill conflicts with HB350, which codifies the current evaluation system into statute with a 40 percent weight on status scores.

OTHER SUBSTANTIVE ISSUES

PED notes concern over provisions of the bill relating to representation of the council, establishment of a performance rating appeals process, and duplication of current and prior work.

Research conducted by Eric Hanushek, a fellow at the Hoover Institution of Stanford University, finds, "Students of an ineffective teacher learn an average of half a year's worth of material in one school year, while the students of a very good teacher learn 1.5 year's worth – a difference of a year's worth of learning in a single year." Additionally, having a top-quartile teacher rather than a bottom-quartile teacher four years in a row could be enough to close the achievement gap.

According to a 2008 study by Robinson, Lloyd, and Rowe, the leadership of a school principal is a determining factor for school effectiveness, second only to the impact of teachers. A 2009 report by TNTP (formerly known as The New Teacher Project) found that more than 99 percent of teachers in 12 districts studied were ranked satisfactory on evaluations and that the firing of tenured teachers almost never occurred. The TNTP analysis suggested most of the reviews were perfunctory and did not distinguish between skilled and low-performing teachers.

Enactment of the Every Student Succeeds Act in 2015 removed state requirements to set up teacher evaluation systems based in significant part on students' test scores, a key requirement of the U.S. Department of Education's state-waiver system in connection with the No Child Left Behind Act.

HED notes that there are no representatives from colleges of education or teacher preparation programs housed within higher education institutions appointed to the council. Including stakeholders whose primary task is the training and professional development of educators may provide perspectives and recommendations not considered by other members of the council.

SL/jle