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FISCAL IMPACT REPORT

ORIGINAL DATE 03/03/13
LAST UPDATED 03/14/13 **HB** _____

SPONSOR Morales

SHORT TITLE Teacher & Principal Evaluation System Council **SB** 588/aSFl#1/aHEC

ANALYST Pahl/Roberts

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY13	FY14	FY15	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	See Fiscal Implications			Undetermined	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Public Education Department (PED)
 University of New Mexico (UNM)

SUMMARY

Synopsis of HEC Amendment

The House Education amendment to Senate Bill 588 includes:

1. Strike Senate Floor amendment #1 and #2;
2. On page 2, line 14, after "teachers", insert "statewide,";
3. On page 2, lines 15 and 16, strike "national education association and the American federation of teachers-New Mexico" and insert in lieu thereof "New Mexico education partners without regard to organizational affiliation";
4. On page 3, line 9, after "principals", insert "statewide,";
5. On page 3, line 10, strike "coalition of school administrators" and insert in lieu thereof "education partners without regard to organizational affiliation"; and
6. On page 7, line 10, after "processes", insert "or other district-wide collaborative processes if there are no collective bargaining agreements in the school district".

Synopsis of Senate Floor Amendment #1

The Senate Floor Amendment to Senate Bill 588 includes:

1. On page 2, strike line 15 and on line 16, strike "teachers-New Mexico" and insert in lieu

thereof “New Mexico educational partnership selected by the New Mexico education partners from applicants state wide without regard to organizational affiliation”.

2. On page 3, on line 10, strike “coalition of school administrators” and insert in lieu thereof “education partners from applicants state wide without regard to organizational affiliation”.

Synopsis of Original Bill

Senate Bill 588 (SB 588) directs the Public Education Department (PED) to convene a council to develop a teacher and principal evaluation system. Eighty percent or more of the teacher evaluation system developed by the Council will be based on decisions pursuant to each school district’s collective bargaining agreements, and twenty percent or less will be based on student achievement based on assessments. The system will be fully implemented by the 2015-2016 school year, and the PED will conduct a review and report the collective results of the evaluation to the Governor and Legislative Education Study Committee.

FISCAL IMPLICATIONS

SB 588 states that if there are sufficient funds in the PED’s budget, members of the established council can be reimbursed for travel expenses pursuant to the Per Diem Mileage Act. There could be fiscal implications to the PED for the support of the committee established in this bill.

SIGNIFICANT ISSUES

SB 588 establishes a council to develop a highly objective and uniform standard system for evaluating the performance of teachers and principals. SB 588 requires the Council’s recommendations to include:

- At least 80 percent of principal and teacher evaluation to be based on multiple measures such as surveys, student learning objectives and observations. Twenty percent or less of the teacher evaluation will be based on student achievement based on assessments that have a valid and reliable connection to teacher effectiveness;
- Measures taken to use teacher and principal evaluations to promote student growth and learning and provide teachers with clear expectations and enhanced feedback;
- Guidelines and training materials for the development of student learning objectives;
- Criteria for optional local or regional peer assistance, review, intervention and training programs for teachers who earn an unsatisfactory rating;
- A sequence and schedule of how recommendations are to be implemented.

SB 588 directs the PED to adopt the Council’s recommendations, create and promulgate rules and provide appropriate training and related materials to implement the teacher and principal evaluation system. The bill directs the Council and Department to complete a final report on the implementation of the state teacher and principal evaluation system, including the number of teachers and principals at each rating level; summaries of feedback from teachers, staff and principals and recommendations for modifications to the evaluation system.

Timeline: the Council will work from June, 2013 to the end of 2017, and will present its recommendations to the Department by July 2014; The PED will fully implement the system for

the 2015-2016 school year; and the PED will report on the implementation of the bill in July of 2016 and 2017.

According to the PED, SB 588 establishes a framework for evaluation that does not meet the requirements established by the United States Department of Education in qualifying for the ESEA waiver received by the PED in February 2012, placing New Mexico back under the umbrella of No Child Left Behind and AYP. Specifically, SB 588 will allow for variance in how teachers are evaluated across districts, therefore making consistent evaluations difficult.

SB 588 appears to replicate much of the work done in 2011 by the Effective Teacher and School Leader Taskforce and currently by the NMTEACH Advisory Council. The PED states this duplicates efforts and expenditures that have provided considerable information to the PED and all stakeholders leading to the Effective Teacher and School Leader evaluation system. The UNM's response echoed the same issue, noting that SB 588 "replicates and replaces all of the activities of the PED in developing a new teacher evaluation system that have, and are, taking place under Rule at this time."

The PED noted that SB 588 establishes a framework that emphasizes competency and not effectiveness, essentially maintaining a system that is currently being used in New Mexico. Additionally, the PED stated SB 588 does not propose to establish clear effectiveness ratings that can differentiate direct impacts on student achievement.

The PED and UNM stated in their responses that the Council's proposed membership is incomplete. The Council established by SB 588 includes 31 members, including 20 members selected by the national education association and the American federation of teachers – New Mexico. The PED explained that SB 588 places a significant emphasis on representation of organized labor and does not account for representation of teachers, principals, or parents that may be outside of associations or teachers and leaders that represent underserved communities. In the UNM's response, they note the proposed council does not have membership from post-secondary schools, specifically from colleges of education. The UNM stated this is a significant omission and should be corrected, as colleges of education are responsible for 90 percent of all teachers in the country and should be at the table in any discussion of teacher quality or competence.

PERFORMANCE IMPLICATIONS

In 2012, the Legislative Finance Committee published a program evaluation entitled "Promoting Effective Teaching in New Mexico". The study found the local evaluation system does not differentiate between high and low performing teachers or focus on student achievement. The report recommended that the teacher evaluation system be strengthened to align with the common core, use student data, assess teacher effectiveness, and improve satisfaction among teachers.

The PED offered the following response regarding performance implications:

SB 588 does not meet the requirements of the ESEA flexibility received by the PED in February 2012.

The implications of SB 588 are such that competence is once again the main emphasis. Student performance is minimally important within this framework, likely replicating the

current system in which over 95 percent of teachers receive an evaluation at the highest level. The limited presence of research-based, valid, and reliable data as components of the evaluation presents issues with effectively demonstrating levels of performance.

ADMINISTRATIVE IMPLICATIONS

Administering the Council, creating rules and holding training sessions for implementing a new teacher and principal evaluation system will create a large administrative burden on the PED.

The PED stated that because the framework of the bill is not aligned to the best understandings of current research, the development of this new evaluation will likely place a workload on the PED for implementation without an actual change in establishing valid and reliable effectiveness determination.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

HB 589 is a duplicate of SB 588

SB 316 and its duplicate, HB 276, conflicts with HB 589, as they would implement the Department's rule for evaluating teachers and principals and connect them to the three-tiered licensure system.

SB 475 and HB 481 relates to HB 589 in that they make changes to the three-tiered licensure system. Evaluations are currently considered when teachers apply for a level two or three license.

TECHNICAL ISSUES

SB 588 states that up to 20 percent of a teacher's evaluation will be based on assessments that are considered a valid and reliable connection to teacher effectiveness. It is unclear whether current tests, such as the standards-based assessment, count as count as assessments that are considered a valid and reliable connection to teacher effectiveness.

ALTERNATIVES

The UNM recommends that representatives from the state's colleges of education be included in the Council's membership. Consideration to other education groups may be warranted as well.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

If this bill is not enacted, the PED's new teacher evaluation will be implemented statewide beginning in August 2013. Principals will continue to be evaluated as they are currently.

POSSIBLE QUESTIONS

Do current assessments taken by students, such as the standards-based assessment, count as assessments that are considered a valid and reliable connection to teacher effectiveness? If not, new assessments will need to be procured to fully implement SB 588.