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FISCAL IMPACT REPORT

ORIGINAL DATE 02/03/12
 SPONSOR Asbill LAST UPDATED 02/13/12 **HB** _____
 SHORT TITLE Teacher & School Leader Effectiveness Act **SB** 293/SECS
 ANALYST R. Gudgel

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY12	FY13	FY14	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		See Fiscal Implications				

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From
 Public Education Department

SUMMARY

Synopsis of Bill

Senate Bill 293 enacts the “Teacher and School Leader Effectiveness Act”, a new section of the Public School Code. The bill requires school districts to begin evaluating teachers and principals for “effectiveness” during the 2014-2015 school year. Teacher effectiveness evaluations will be based 50 percent on student achievement growth, 25 percent on observations, and 25 percent on multiple measures adopted by the department. For classroom teachers who do not teach in a grade or subject that has a standards-based assessment for which student achievement growth can be calculated, the student achievement growth component of the evaluation may be based on the school’s A through F letter grade and will only account for 25 percent of the overall evaluation. The multiple measures component will account for 50 percent of the effectiveness evaluation. School principal evaluations will be based on a combination of the school’s A through F letter grade and multiple measures adopted by the department, and will include indicators based on leadership standards adopted by the department. The bill requires a written report be provided to each licensed school employee that is evaluated, a procedure for notifying those employees who receive a minimally effective or ineffective evaluation of their unsatisfactory work performance, implementation of individual growth plans for those employees and a 90 day time period to correct unsatisfactory performance before the district is able to issue a notice of intent to discharge.

FISCAL IMPLICATIONS

The department indicates the bill will have no fiscal impact, though the analysis notes the executive recommendation included \$3 million to support the transition to a new teacher and school leader evaluation system, including funding to support districts as they develop various aspects of the new evaluation system (i.e. assessments for teachers in non-tested grades and subjects and multiple measures) and provide training on the new system.

While the department indicates the bill has no fiscal impact, it is likely that the bill will have a significant impact on school district operating budgets because of the necessity to develop assessments for all courses that are not currently tested (i.e. welding, theater, dance, etc.) by the 2014-2015 school year, and to ensure evaluators are well trained in use of the evaluation tool.

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...”

SIGNIFICANT ISSUES

The bill requires the department to convene a 12 member advisory committee of cultural and geographical diversity, members of which will be appointed by the secretary of the department.

Pursuant to the Act, for teachers in tested grades and subjects, classroom teacher effectiveness evaluations will be based 50 percent on student achievement growth, 25 percent on observations, and 25 percent on multiple measures adopted by the department. For classroom teachers who do not teach in a grade or subject that has a standards-based assessment, the student achievement growth component of the evaluation may be based on the school’s A through F letter grade for the first year and will only count for 25 percent of the overall evaluation and the multiple measures component will count for 50 percent. For school principals (including assistant principals and head administrators of charter schools), evaluations shall be based on the school’s A through F letter grade, multiple measures adopted by the department, and will include indicators based on leadership standards adopted by the department. Effectiveness evaluation criteria for principals will include indicators based on each of the leadership standards adopted

by the department. The principal's evaluation will include a means to give other licensed school employees and parents an opportunity to provide input into the school principal's effectiveness evaluation when appropriate. School administrators will be responsible for evaluating licensed school employees they supervise using performance criteria based on research-based indicators that may include specific job-effectiveness expectations related to student support.

Student Achievement Growth: The measure of student achievement growth will be calculated by the department for all courses associated with state assessments, and districts will be required to use the department-adopted student achievement growth measure beginning with the 2013-2014 school year. Districts will be able to select comparable measure of student achievement growth for other grades and subjects. The student achievement growth component of a teacher's effectiveness evaluation will be based on valid and reliable data and indicators of student achievement growth assessed annually through a combination of 35 percent standards-based assessment and 15 percent additional department-approved assessments. For subjects and grades not tested by state assessments, a school district will be required to select assessments from a list of assessments approved by the department. The student achievement growth component of all teacher evaluations may be based on the school's A through F letter grade for the first year and will account for 25 percent of the evaluation and multiple measures will count for 50 percent. PED will be required to propose a formula to measure student achievement growth on state standardized assessments that considers each student's prior performance, grade level and subject by October 1, 2012, and adopt a formula by December 1, 2012. The bill also lays out provisions for classroom teachers who are teaching courses not associated with state assessments to use the achievement growth demonstrated by their students on state assessments administered in other classes.

The bill requires the use of 3 years of student achievement data when three years of data exists.

Beginning with the 2014-2015 school year, each district shall administer a student assessment for each course offered in the district that measures mastery of the content, including the use of department-approved school district-developed or –selected end-of-course assessments.

Multiple Measures: PED will be required to approve multiple measures aligned with improved student achievement. Each school district will be required to adopt at least 2 multiple measures, and each individual multiple measure may equal no more than 10 percent of the 25 percent.

Observations: Observations and results on data and indicators of instructional practice for teachers will count for 25 percent of the effectiveness evaluation. Observations shall be conducted using a common research-based protocol approved by the department. Effectiveness evaluation criteria shall include indicators based on research-based practices as determined by the department. Teachers rated high effective or exemplary on their most recent evaluation will be required to be observed at least once a year by their school principal. All other teachers will be required to be observed at least twice a year; at least once by the principal and one may be completed by an external observer. Feedback shall be given to teachers within 10 days after the observation is completed.

Written Report and Post Evaluation Procedures: Each evaluator will be required to submit a written report to the employee and the superintendent on the effectiveness evaluation of each licensed employee. No component of the evaluation may be changed after it is completed. The evaluator will be required to schedule a post-evaluation conference with each licensed school

employee within 10 days of the evaluation, and will be required to make recommendations on specific areas of unsatisfactory performance and other feedback that provides the initial framework for an individual professional growth plan for minimally effective or ineffective evaluations. The written report for employees evaluated as minimally effective or ineffective shall describe the minimally effective or ineffective performance and include notice of uncorrected unsatisfactory work performance pursuant to Section 22-10A-30 NMSA 1978 before a notice of intent to discharge is served on the employee. Employees who are rated minimally effective or ineffective will be given an opportunity to submit a written response to the effectiveness evaluation that will become a permanent part of the employee's permanent personnel file.

Results of effectiveness evaluations will be used to develop strategic support for licensed school employees who are rated minimally effective or ineffective. If the licensed employee has a contract, the employee will be placed on a performance growth plan for 90 days following the receipt of the notice of minimally effective or ineffective performance. During the 90 day period the bill requires the employee be observed and evaluated periodically and notified of progress. Within 5 days of the expiration of the 90 day period, the evaluator will re-evaluate the licensed school employee to determine whether the performance deficiencies have been corrected and forward a recommendation to the superintendent. The superintendent will be required to notify the employee whether the performance deficiencies have been corrected within 10 days of receipt of the evaluator's recommendation, and if satisfactory progress has not been made the superintendent may proceed to discharge the employee pursuant to Section 22-10A-27 NMSA 1978. The department may provide exemptions to these requirements only for extraordinary circumstances.

Superintendents will be required to notify the department of any licensed employees who receive two minimally effective or ineffective evaluations and is being discharged pursuant to the Act.

The last section of the bill requires school districts to designate positions to be filled, prescribe qualifications for those positions and provide for the appointment, compensation, promotion, suspension, discharge or termination of licensed school employees, subject to the requirements of the Act.

PERFORMANCE IMPLICATIONS

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

ADMINISTRATIVE IMPLICATIONS

The Public Education Department will be required to promulgate rules to carry out the provisions of the Act that include uniform procedures for: the submission, review and approval of district procedures for annual effectiveness evaluation of licensed school employees; standards for each of five effectiveness levels; the measurement of student achievement growth and associated implementation procedures; and a process for monitoring each district's implementation of its teacher and school leader evaluation system.

Additional administrative duties of the department include: adopting of a list of approved assessments to measure student achievement growth; adopting a list of approved measures of teacher and school leader effectiveness for the multiple measures component of evaluations;

approving a common research-based observational protocol; approving each district's teacher and school effectiveness evaluation system and monitor each district's implementation of the system; reporting to the governor and the Legislature annually on the approval and implementation status; calculating the state-adopted measure of student achievement growth for all courses associated with the state assessments; and convening an advisory committee of New Mexico teachers, principals, other licensed school employees and stakeholders to aid in the promulgation of rules.

School districts will be required to report annually to the department the results of their effectiveness evaluations of licensed school employees and the alignment of the district's effectiveness evaluation system with the three-tiered licensure system. School districts will also be required to establish a peer assistance process to assist in improving the level of instruction and learning in each public school. The process may be used to assist beginning teachers, licensed school employees placed on performance probation and those who request assistance.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

House Bill 249 is a duplicate. House Bill 251 and Senate Bill 315 conflict.

TECHNICAL ISSUES

The bill enacts a new evaluation system and requires personnel decisions (hiring, compensation, promotion, discharge or termination) be made subject to the requirements of the Teacher and School Leader Effectiveness Act. The bill does not address existing provisions in the Public School Code that address annual evaluations, compensation decisions, discharge and termination decisions. It is likely that provisions of this bill conflict with current provisions in law.

The bill outlines 75 percent of a school principal's evaluation shall be based on multiple measures (25 percent) and the school's A through F grade (50 percent); however, the bill does not clearly specify what the remaining 25 percent of a principal's evaluation is to be based on.

The bill references the "legislature" in Subsection C of Section 4. The legislature might want to clarify this to require a report to the Legislative Finance Committee and the Legislative Education Study Committee.

Page 9, line 23 and 24 refers to an "external observer" but the bill does not include a definition of who qualifies to be an external observer.

OTHER SUBSTANTIVE ISSUES

Statewide, schools continue to employ a high percentage of teachers who meet the federal "highly qualified" definition and, according to the Public Education Department (PED) are "meeting competencies" on annual evaluations. However, these are not necessarily effective teachers. During the summer, the governor convened the Effective Teacher Task Force by executive order with the purpose of delivering on the promise of recruiting, retaining, and rewarding New Mexico's most effective teachers and school leaders. The governor requested recommendations on how best to measure the effectiveness of teachers and school leaders based on the following:

- Identified measures of student achievement – representing at least 50 percent of the

teacher evaluation – which shall be used for evaluating educator performance;

- Identification of demonstrated best practices of effective teachers and teaching, which should comprise the remaining basis for such evaluation;
- How these measures of effective practice should be weighted; and
- How the state can transition to a performance-based compensation system, whereby acknowledging student growth and progress.

The task force noted the state does not have an effective system for recognizing the achievements of the many outstanding and effective teachers and school leaders. Further, the absence of an objective framework has resulted in the failure to effectively assess educator performance, in particular as it relates to measureable student achievement, and to reward excellence and establish accountability. Thirty-eight recommendations were made aimed at increasing teacher effectiveness and school leader accountability; however, the task force did not consider how recommendations fit within the existing three-tiered licensure system.

Implementation of the new evaluation system in a fair, uniform manner faces some challenges. The task force recommended the use of a value-added model (VAM) in an attempt to remove the effects of factors not under the control of a teacher or school, such as prior performance and socioeconomic status, thereby providing a more accurate indicator of school or teacher effectiveness than is possible when these factors are not controlled. However, application of these models to teacher evaluations is relatively new and best used when based on at least three years of data. Additionally, conclusions about a teacher's effectiveness can be vastly different depending on the model developed, and models can give false results with incomplete data.

Also, VAMs are based on the use of standardized tests. Many teachers teach subjects for which students are not subject to standardized testing (i.e. welding, music, physical education, civics). The task force recommended using a school's A through F grade in the evaluation of teachers in non-tested subjects and grades until standardized assessments can be developed; however, development of standardized tests for non-tested subjects is likely to be extremely costly.

Another key recommendation was the need for targeted, research-based professional development opportunities for all teachers. Professional development must provide ongoing learning opportunities to teachers and educational leaders that address the complex educational needs and challenges of students; teachers must be able to continually enhance and build on their instructional knowledge. At a recent conference hosted by the Los Alamos National Laboratory Foundation, Robert Marzano, CEO of Marzano Research Laboratory, noted it generally takes 10 thousand deliberate hours of teaching to become an expert at teaching (this generally translates to 10 years). Current evaluation systems are ineffective because of the length of time it takes to become an expert teacher. Mr. Marzano suggested that teachers should focus on smaller increments of teacher effectiveness annually and professional development opportunities should be tailored appropriately.

As a new evaluation system is contemplated, any VAM used must be transparent and adequately explained. Any evaluation framework to measure teacher and school leader effectiveness must better enable districts and policymakers to address and improve school personnel policies concerning professional development, promotion, compensation, and tenure. The system should identify teachers and school leaders who are most effective at helping students succeed, and those in need of additional targeted assistance and professional development, and inform the

match between teacher assignments and student and school needs.

PED Analysis: The current binary system is not able to differentiate among multiple levels of performance. A teacher either meets competency or does not meet competency. Further, the current system is far too subjective and inconsistent as it is being implemented across New Mexico. As such, it is difficult to support teacher appropriately when they are struggling and champion their effectiveness when they are succeeding.

An evaluation system must be comprehensive and include multiple ways to measure a teacher and/or school leader's effectiveness. Including student achievement, observations of classroom practice and other multiple measures will truly allow New Mexico to get a complete, valid and holistic picture of teacher performance.

The implementation timeline allows for ample time for PED to develop rules that are based on stakeholder input, provide training on the system to all districts and allow for time for districts to in-turn to train their schools on the new system. Ensuring fidelity will be critical to the success of the evaluation system outlines in HB 249.

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.

ALTERNATIVES

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

RSG/lj