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## FISCAL IMPACT REPORT

ORIGINAL DATE 02/17/11

SPONSOR Nava LAST UPDATED \_\_\_\_\_ HB \_\_\_\_\_

SHORT TITLE School Personnel Evaluation System SB 503

ANALYST Gudgel

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY11	FY12		
	NFI		

(Parenthesis ( ) Indicate Expenditure Decreases)

### ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY11	FY12	FY13	3 Year Total Cost	Recurring or Non-Rec	Fund Affected
<b>Total</b>		See Fiscal Implications				

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

Responses Received From  
Public Education Department (PED)

Responses Not Received  
Department of Finance and Administration (DFA)  
Higher Education Department (HED)

### SUMMARY

#### Synopsis of Bill

Senate Bill 503 enacts a new section of the School Personnel Act that creates a 10-member School Personnel Evaluation Council that is a policy-advisory council to PED. The council is responsible for developing a school personnel evaluation system, conducting a cost analysis of assessment changes, staff training and improved professional development opportunities, and reporting their recommendations to the Secretary by August 2011.

## **FISCAL IMPLICATIONS**

Members of the Council may receive per diem and mileage expense pursuant to the Per Diem and Mileage Act only if the department has funding for that purpose.

PED will be required to staff the committee. PED indicates the full attention of the Professional Development Bureau manager and three other bureau staff members will be required. The department also indicates there will be substantial implementation costs associated with the required training referenced in the bill.

## **SIGNIFICANT ISSUES**

The 10-member Council is comprised of the Secretaries of PED and HED, the director of OEA, the chair of the New Mexico Deans and Directors of Colleges of Education, and 5 members appointed by the Secretary of PED including a representative of the business community, a public school teacher organization, a public school parent organization, a charter school, and a school administrator organization.

The Council will be required to develop a school personnel evaluation system that uses multiple fair, transparent, timely, rigorous and valid methods of evaluating school personnel and affords school personnel the opportunity to improve their effectiveness. The bill outlines the components of the system to be developed by the Council and recommended to the Secretary, and includes a specific weighted factor in both teacher and principal evaluations for student academic growth and psychosocial development.

The evaluation system will apply to “principals”, defined as school administrators employed as the chief administrative officer or assistant chief administrative officer of a public school and who administers, directs or supervises the educational program in the public school; and “teachers” defined as not including a teacher with an internship license, a level on teacher or a substitute teacher.

The Council is required to recommend an evaluation system to the Secretary of PED by August 2011. The Secretary must adopt and promulgate rules to implement the evaluation system (the system can be modified by the Secretary) in the 2011-2012 school year. It is unclear whether the timing provided for in this bill is reasonable, given the nature of the suggested program, and rule making requirements.

The Council will exist until December 31, 2014, and shall submit annual status reports to the Governor and the Legislative Finance Committee.

PED provided the following analysis:

The new system proposed in SB 503 may replace the current three-tier licensure system.

School personnel, as defined in the bill, means licensed school employees, except for teachers with internship licenses, level 1 teachers or substitute teachers. Of concern is that level 1 teachers represent approximately 25% of the state’s teaching corps. These teachers would be exempted from this evaluation system.

Further, the definition of school personnel includes all teachers, including ancillary support providers. The PED has never had an evaluation system for ancillary support providers.

Additionally, given the definition of school district, which includes state agencies, this system would include educators such as those employed by the PED who do not have teaching assignments.

SB 503 does not include a monitoring component. However, such a component is included in SB 502 School Teacher and Principal Evaluation.

### **PERFORMANCE IMPLICATIONS**

- Annual percent of core academic subjects taught by highly qualified teachers, kindergarten through twelfth grade (100%)
- Percent of fourth grade students who achieve proficiency or above on the standards based assessments in reading
- Percent of eighth grade students who achieve proficiency or above on the standards based assessments in reading
- Percent of fourth grade students who achieve proficiency or above on the standards based assessments in mathematics
- Percent of eighth grade students who achieve proficiency or above on the standards based assessments in mathematics
- Percent of recent New Mexico high school graduates who take remedial courses in higher education at two-year and four-year schools

### **ADMINISTRATIVE IMPLICATIONS**

PED provided the following analysis:

It is anticipated that assisting this Council in meeting its August 2011 deadline would require the full attention of the Professional Development Bureau manager and three other bureau staff members.

Districts, charter schools and state-supported schools will need to ensure that they provide sufficient training opportunities for all teachers and principals during the implementation phase of this statewide initiative. These same entities will likely need to monitor the ongoing implementation of their selected teacher and principal evaluation programs.

The PED will need to ensure that staff roles and responsibilities are configured appropriately to provide strong support to districts, charter schools and state-supported schools during the implementation phase of this statewide initiative. Additional staff participation will be needed to monitor the district's and/or school-level's use of the state framework and the district's selected and approved evaluation program for teachers and principals.

### **CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

Conflicts with/Relates to SB502. SB502 establishes an evaluation system for teachers and principals.

### **TECHNICAL ISSUES**

The Public School Code defines:

- "teacher" as a person who holds a level one, two or three-A license and whose primary duty is classroom instruction or the supervision, below the school principal level, of an instructional program or whose duties include curriculum development, peer intervention, peer coaching or mentoring or serving as a resource teacher for other teachers; and
- "school principal" as the chief instructional leader and administrative head of a public school.

The definitions of “teacher” and “principal” included in this bill vary slightly from these definitions, and the definition of “teacher” excludes teachers holding a level 1 license.

## **OTHER SUBSTANTIVE ISSUES**

A 2009 LFC evaluation of the Three Tiered Licensure system identified concerns with the current licensure system, and the effectiveness of teachers. Good teachers and quality instruction boost student performance and reduce the achievement gap between low income students and their peers. Education researchers demonstrated that effective instruction is 15-20 times more powerful than family background and income, race, gender, and other explanatory variables when using student growth models as opposed to a snapshot of student achievement.

The three-tiered system was designed to increase student achievement by recruiting and retaining high-quality teachers. In exchange for large increases in minimum salaries, teachers are expected to meet competencies and impact student achievement as demonstrated through annual evaluations and a professional development dossier (PDD). The LFC program evaluation sought to determine the effectiveness of the three-tiered licensure system on improving student performance as measured by student growth on the Standards Based Assessment (NMSBA) and to provide an update on the status of the achievement gap. In general, it is expected that teachers with advanced licensure, and thus higher pay, produce greater student growth on the NMSBA.

Teachers at all licensure levels produced gains in student achievement, however, the differences in student achievement between licensure levels, in general, were not significant, especially in light of vastly different compensation, and achievement gains were insufficient to increase proficiency levels on a large scale. The results were similar when controlling for poverty. Beginning teachers were overrepresented in high poverty classrooms, and had more students entering their classes below proficient. The evaluation found effective and ineffective teachers at each licensure level despite the pay being similar at each licensure level.

Key recommendations were as follows:

PED should reevaluate licensure requirements based on licensure levels. For example, the requirement that principals qualify as a Level 3 teacher should be reevaluated to require demonstrated success in improving student achievement.

OEA may consider reviewing teachers that are clearly underperforming to see if proper evaluations have been made and peer interventions have occurred as required by statute. OEA is tasked annually by the General Appropriation Act (GAA) to verify that teachers are evaluated under the three-tiered licensure and evaluation system. OEA may need to conduct additional statewide reviews of teacher performance by licensure level to determine if the quality of evaluations is being maintained in accordance with expectations.