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## FISCAL IMPACT REPORT

**ORIGINAL DATE** 02/15/12  
**LAST UPDATED** \_\_\_\_\_

**SPONSOR** HLC **HB** CS/249 and 251/HLCS

**SHORT TITLE** Teacher & School Leader Effectiveness Act **SB** \_\_\_\_\_

**ANALYST** Gudgel

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

	FY12	FY13	FY14	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
<b>Total</b>		See Fiscal Implications			Recurring	School District Operating Budgets

(Parenthesis ( ) Indicate Expenditure Decreases)

Relates to Appropriation in the General Appropriation Act

### SOURCES OF INFORMATION

LFC Files

### SUMMARY

#### Synopsis of Bill

The House Labor and Human Resources Committee Substitute for the House Education Substitute for House Bills 249 and 251 enacts the “Teacher and School Principal Effectiveness Act”, a new section of the Public School Code. Beginning with the 2013-2014 school year, all public schools, including charter schools, will be required to implement a new teacher and principal effectiveness evaluation system. The evaluation system will focus on measures of student growth and achievement that are valid and reliable, common and uniform, and not solely based on a single state assessment. If valid and reliable measures are not available, school districts will be required to submit their proposals for local measures for approval by the Public Education Department.

Teacher evaluation will be based on the following: 1) 50 percent based on student growth and achievement; and 2) the Council will recommend the composition of the remaining 50 percent of the evaluation to be made up of additional measures recommended by the Council that include multiple sources of information about teacher effectiveness, including student surveys, teacher profession development plans and other measures and teacher observations.

Principal evaluations will be based on the following: 1) 50 percent based on student and school growth; and 2) the Council will recommend the composition of the remaining 50 percent to be made up of measures that relate to instructional leadership, feedback from teachers, staff and

parents, the principals fidelity to the evaluation system, and any other recommendations of the Council.

The department will be required to appoint a 16 member Council that will make specific recommendations on a teacher and principal effectiveness evaluation system to the department

The definition of school district includes charter schools and the definition of principal includes head administrators of charter schools.

## **FISCAL IMPLICATIONS**

House Bill 2 includes a \$1 million appropriation of nonrecurring funding through FY13 to the PED to transition to a new teacher evaluation system that is based on student achievement growth.

The executive recommendation included \$3 million through FY14 to support the transition to a new teacher and school leader evaluation system. The department indicates this funding will be used to support districts as they develop aspects of the new evaluation system and provide training on the new system.

While the department indicates the bill has no fiscal impact, the bill could have a significant impact on school district operating budget, dependent on recommendations of the Council and ultimate promulgation of rules outlining the new evaluation system. The evaluation systems must include student growth achievement based on valid and reliable measures of student growth and achievement. Currently, the state uses a standards-based assessment in certain grades that is valid and reliable, and has been peer reviewed. With implementation of the Common Core Content Standards in the 2014-2015 school year, the state will implement a new standards based assessment. These assessments don't exist for all grades and subjects though. If the Council recommends the use of assessments for non-tested grades and subjects, these assessments will have to be developed and could be costly.

Additionally, there could be significant costs associated with ensuring evaluators are well trained in the use of any evaluation tools to make sure evaluations are implemented in the most objective manner possible.

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**

**Growth:** By January 1, 2013, based on recommendations of the Council, PED will be required to implement a formula to measure individual student achievement growth on the state evaluation system.

**Council:** The Council will be appointed by the Secretary of PED, and will be geographically and demographically representative of the state. Additionally, the Act requires that membership ensures that small, mid-size and large districts are represented. Membership includes the following:

- 4 teachers nominated by teacher organizations, all level 2 or 3 teachers from each of the following: 1) elementary school, 2) middle school, 3) high school, and 4) teaching multiple grades;
- 4 teachers from teacher applications made to the department – all level 2 or 3 teachers from each of the following: 1) elementary school, 2) middle school, 3) high school, and 4) teaching multiple grades. At least one of the at-large teachers must be from a charter school;
- 4 school principals, two nominated by a school administrators organization and two appointed by the department from applications;
- 1 member each from the Hispanic Education Advisory Council and the Indian Education Advisory Council;
- 1 member from the business community; and
- 1 parent.

Council recommendations shall include the following:

The new evaluation system should include effective instruction and student growth achievement with results used to inform district- and school-level improvement; appropriate instruments, procedures and criteria for improving teacher and principal effectiveness; mechanisms to examine effectiveness from multiple sources; methods and criteria for evaluating principals; and criteria for teacher and principal professional development and evaluator training on the evaluation system. Other recommendations should include training materials and guidelines for performing evaluations, PED’s alignment of the effectiveness evaluation program with the current licensure and compensation systems, and any changes to department rules or laws for evaluation results to be used for personnel decisions. The Act also requires the Council to consider the geographic and demographic uniqueness of New Mexico, the diversity of culture and language in the state, and alignment with common core standards.

**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 guidelines 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 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. The evaluator will be required to provide intervention and assistance in helping to correct unsatisfactory performance. Minimally effective and ineffective teachers will be placed on an individual growth plan for a period of time specified by the principal or other supervisor. Within 5 days of the end of the specified period of time, the evaluator will be required to determine whether deficiencies have been corrected and make a recommendation to the superintendent. Within 10 days of receipt of the recommendation the superintendent will be required to notify the teacher in writing whether the performance deficiencies have been corrected, and if not the superintendent may proceed to discharge the employee pursuant to Section 22-10A-27 NMSA 1978, or terminate the employee at the end of a school year pursuant to Section 22-10A-24.

The department may provide exemptions to these requirements only for extraordinary circumstances.

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

### **PERFORMANCE IMPLICATIONS**

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

### **ADMINISTRATIVE IMPLICATIONS**

The PED will be required to appoint and then staff the Council from June 1, 2012 to September 1, 2012. Additional department duties specified by the bill include promulgation of rules by January 1, 2013, and conduction training session for principals and evaluators beginning February 1 through August 31, 2013. PED will also be required to approve school district and charter school teacher and principal effectiveness evaluation measures.

School districts and charter schools will be required to submit their teacher and principal effectiveness evaluation measures for department approval by May 1 of 2013, and subsequent years. Districts will also be required to adopt new teacher and principal evaluation systems that conform to the Act beginning with the 2013-2014 school year.

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

Senate Bills 293 and 251 conflict with this Committee Substitute.

## OTHER SUBSTANTIVE ISSUES

During the summer of 2011, the Governor issued an executive order establishing the Effective Teacher Task Force. 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 Executive Summary of the Task Force recommendations notes “the current teacher recognition process in New Mexico places emphasis on years of experience and credentials obtained. Members of the Task Force recognize these factors are important; however, they fail to offer teachers any acknowledge[ment] of student achievement. Many New Mexico teachers see the growth of students in the classroom, but work in a system that does not recognize or reward them for it. The purpose of the Task Force was to find the most meaningful way to change this dynamic and place student achievement at the forefront of teacher excellence in order to change a system with ‘qualified’ teachers to classrooms full of effective teachers.”

The Task Force made 38 recommendations in the areas of 1) teacher and school leader evaluations, 2) professional development, 3) recruitment and retention, 3) and compensation and advancement. With the exception of recommendations 3 (using the New Mexico Standards-Based assessment to calculate a teacher’s value-added score) and 4 (using a school’s A through F school grade to calculate a teacher’s value added score for teachers in non-tested grades and subjects) all other recommendations were approved unanimously by the 15 member Task Force. The full report can be accessed on the department’s website at: <http://www.ped.state.nm.us/ttf/index.html>.

**MET Project:** Early findings from the Bill & Melinda Gates Foundation Measuring Teacher Effectiveness (MET) project, Gathering Feedback for Teaching, indicate: in every grade and subject studied, a teacher’s past success in raising student achievement on state tests (the teacher’s value-added) is one of the strongest predictors of the teacher’s ability to do so; teachers with the highest value-added scores on state tests tend to help students understand math concepts or demonstrate reading comprehension through writing; the average student knows effective teaching when he or she experiences it; valid feedback need not be limited to test scores alone (by combining different sources of data, it is possible to provide diagnostic, targeted feedback to teachers who are eager to improve.

**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/amm:svb