

Colorado Legislative Council Staff Fiscal Note
**STATE and LOCAL
 FISCAL IMPACT**

Drafting Number: LLS 10-0474 **Date:** April 20, 2010
Prime Sponsor(s): Sen. Johnston; Spence **Bill Status:** Senate Education
 Rep. Scanlan; Murray **Fiscal Analyst:** Josh Abram (303-866-3561)

TITLE: CONCERNING ENSURING QUALITY INSTRUCTION THROUGH EDUCATOR EFFECTIVENESS (EQUITEE).

Fiscal Impact Summary	FY 2010-2011	FY 2011-2012
State Revenue		
State Expenditures General Fund	\$237,869	\$242,587
FTE Position Change	3.0 FTE	3.0 FTE
Effective Date: Upon signature of the Governor, or upon becoming law without his signature.		
Appropriation Summary for FY 2010-2011. See State Appropriations section.		
School District Impact: See School District Impact section.		

Summary of Legislation

This bill requires that the State Board of Education adopt guidelines for a system to evaluate the effectiveness of teachers and principals. All school districts and boards of cooperative educational services (BOCES) must adjust their local performance evaluation systems to meet or exceed the adopted guidelines.

The Governor's Council for Educator Effectiveness, established by executive order in January, 2010, is required to make recommendations by specific dates, and the board must adopt rules by March 1, 2011. The recommendations of the council, and the rules adopted by the board, must ensure that:

- ▶ teachers and principals are evaluated using multiple fair, transparent, timely, rigorous, and valid methods;
- ▶ at least 50 percent of a teacher's evaluation is determined by the academic growth of the teacher's students;
- ▶ at least 66 percent of a principal's evaluation is determined by a combination of the academic growth of the students and the demonstrated effectiveness of the teachers in the principal's school;
- ▶ highly effective teachers and principals have access to career ladders that will help them earn additional pay in return for sharing effective practices with other educators; and

- ▶ the state can adopt and implement a plan for equitable distribution of highly effective teachers and principals.

Beginning with the 2011-2012 school year, teachers shall earn tenure after 3 consecutive years of demonstrated effectiveness but lose tenure if they fail to demonstrate effectiveness for 2 consecutive years. Tenured teachers must receive at least 1 observation and 1 evaluation with a written report each year. Principals must receive at least 1 evaluation with a written report each year. Review and evaluation of probationary (non-tenured) teachers is unchanged.

The bill requires that each teacher's employment contract include a written provision that a teacher may be assigned to a particular school only with the consent of the receiving school. If a teacher is unable to secure an assignment after two hiring cycles, he or she shall be placed on unpaid leave until the teacher is able to secure an assignment. Finally, the manner in which employment contracts will be cancelled when there is a justifiable decrease in teaching positions must either be included in contracts between the local board and district employees, or included in established board policies.

State Expenditures

In FY 2010-11, this bill will result in total costs of \$237,869 General Fund and 3.0 FTE in the Colorado Department of Education. In FY 2011-12, total costs are \$242,587 and 3.0 FTE. Major cost components are summarized in Table 1 and discussed below.

Table 1. Expenditures Under SB 10-191		
Cost Components	FY 2010-11	FY 2011-12
Personal Services	\$206,009	\$224,737
FTE	3.0	3.0
Operating Expenses and Capital Outlay	16,860	2,850
Travel	15,000	15,000
TOTAL	\$237,869	\$242,587

The CDE requires new staff to oversee departmental activities, support the State Board of Education in adopting rules, conduct analysis of existing performance evaluation systems, recommend conforming changes, and provide training and technical assistance to local districts. New staff will also advise the Governor's council concerning best practices.

Ongoing, new staff will support the board in determining if districts and BOCES meet or exceed state guidelines, review, evaluate, and approve interim assessments as part of the multiple measures of effectiveness, and review licensed personnel evaluation systems each year to confirm that they meet or exceed statutory requirements. Statewide travel is anticipated each year to conduct on-site reviews and to evaluate district and BOCES performance evaluation systems.

Expenditures Not Included

Pursuant to a Joint Budget Committee policy, certain costs associated with this bill are addressed through the annual budget process and centrally appropriated in the Long Bill or supplemental appropriations bills, rather than in this bill. The centrally appropriated costs subject to this policy are summarized in Table 2.

Table 2. Expenditures Not Included Under SB 10-191*		
Cost Components	FY 2010-11	FY 2011-12
Employee Insurance (Health, Life, Dental, and Short-term Disability)	\$19,120	\$20,857
Supplemental Employee Retirement Payments	6,609	8,549
Indirect Costs	32,707	36,873
Workman's Compensation and Risk Management	737	804
TOTAL	\$59,173	\$67,083

**More information is available at: <http://www.colorado.gov/cs/Satellite/CGA-LegislativeCouncil/CLC/1200536133924>*

School District Impact

This bill will impact school districts differently, depending on their current performance evaluation and review process. Under current law, tenured teachers must receive at least 1 observation each year and 1 evaluation with a written report every 3 years. Following their third year, school principals must receive written evaluations every 3 years. This bill requires a written evaluation of teachers and principals every academic year. For some districts, the bill will require additional observations and written reports. Affected districts must modify their process and devote additional time and resources to teacher and principal evaluation.

In order to ensure that evaluations are linked to student longitudinal academic growth, data systems must be capable of connecting educator identifiers and student identifiers. Currently, some districts have this capacity and others do not. Similarly, the rules adopted by the board may compel districts to spend resources on new evaluation tools, data collection, and interim assessments to satisfy the bill's requirement of multiple measures of student performance. These expenses for changing the evaluation and review process will be paid from existing school and district budgets.

State Appropriations

In FY 2010-11, this bill requires an appropriation of \$237,869 General Fund and 3.0 FTE to the Colorado Department of Education.

Departments Contacted

Education

Governor's Office

Law