

Beginning with the 2011-12 school year, the Colorado Department of Education (CDE) will work with districts to develop performance evaluation systems, and will provide a resource bank of assessments, processes, tools, and policies that a district or BOCES may use to develop their local programs. The system must be beta-tested in the 2012-13 school year, implemented statewide in the 2013-14 school year, and finalized statewide in the 2014-15 school year.

Among many requirements, the adopted rules 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; and
- ▶ at least 50 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.

The bill creates the Great Teachers and Leaders Fund and permits the CDE to accept and spend gifts, grants, and donations for the fund. Moneys in the fund are continuously appropriated to the department for the direct and indirect costs of implementing the bill.

State Revenue

The bill allows the CDE to accept and spend gifts, grants, and donations to implement the bill. Based on the direct and indirect costs of the bill, the CDE will need to obtain at least **\$297,042 in private donations** in FY 2010-11. Beginning in FY 2011-12, the CDE will need to obtain **\$309,670** for ongoing costs. Direct expenses are identified in the State Expenditures section and indirect expenses are estimated in the Expenditures Not Included section of this fiscal note. Actual collections may vary from these amounts. To date, no specific revenue source has been identified.

State Expenditures

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

Table 1. Direct Costs 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 board and the council in establishing the program and adopting rules, conduct analysis of existing performance evaluation systems, recommend conforming changes, and provide training and technical assistance to local districts.

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	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. There is no immediate fiscal impact to districts; however, the bill will certainly require that districts begin to modify their evaluation process, and devote additional time and resources to teacher and principal evaluation in anticipation of the bill's statewide implementation in FY 2014-15.

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. The CDE will provide a resource bank for districts to use to defray some of these costs; however the expenses for changing the evaluation and review process will be paid from existing school and district budgets.

State Appropriations

This bill does not require an appropriation clause. If sufficient money is provided for the program from donations, the Colorado Department of Education is given continuous spending authority for the Great Teachers and Leaders Fund, including spending authority to use cash funds for expenses identified in the Expenditures Not Included section of this fiscal note.

Departments Contacted

Education

Governor's Office

Law