

State Notes

TOPICS OF LEGISLATIVE INTEREST

Spring 2014



Educator Evaluation and Assessment Phase-In **Cory Savino, Fiscal Analyst**

The fiscal year (FY) 2014-15 budgets recommended by the Governor for School Aid and the Michigan Department of Education (MDE) include \$49.4 million for phasing in the new educator and administrator evaluation system. The funds would be used for training educators and administrators on observation tools, processing student performance on assessments, implementing a new computer-based student assessment, providing interim tests for schools, providing technical assistance to schools, ensuring compliance with the law, and establishing a waiver system for districts that have applied to use an alternative evaluation tool. Under current law, year-end evaluations are required beginning with the 2013-2014 school year, and student growth and achievement data must be the basis of at least 25% of the evaluation in 2013-2014 and at least 40% in 2014-2015. By the 2015-2016 school year, educator evaluations must be based 50% on student growth and achievement data, and 50% on practice and observation¹. A timeline recommended by the MDE would move the 50/50 requirement to the 2018-2019 school year, while Senate Bill 817 would postpone the new evaluations to the 2015-2016 school year and eliminate the 25% and 40% requirements for 2013-2014 and 2014-2015. This article provides background and an overview of the implementation plan for educator and administrator evaluations.

Background

In 2009, the Obama administration created Race to the Top (RTTT), which encouraged states to undergo education reforms in order to receive education grant funding. The \$4.35 billion grant came from the American Recovery and Reinvestment Act of 2009. Michigan submitted an application for RTTT funding in January 2010². In December 2009, Public Act 205 of 2009³ was enacted as part of a package of education reform legislation that aligned the law with the application for RTTT. Public Act 205 of 2009 encouraged local school districts, intermediate school districts (ISDs), and public school academies to create educator and administrator evaluation systems that included a significant portion of student growth and achievement data. These evaluations would be used, at a minimum, for informing educator professional development. This was in alignment with the professional development piece of the RTTT application. Public Act 336 of 2010 required all school districts, ISDs, and public school academies to have an evaluation system adopted and implemented by September 1, 2011. Michigan did not end up being awarded RTTT funding, but the education reform laws remained.

In April 2011, Governor Snyder proposed further reforms that were aimed at increasing educator quality and effectiveness⁴. In response, the Michigan Legislature passed a package of laws that made significant changes to teacher tenure and educator and administrator evaluations. Public Act 102 of 2011 created the Michigan Council for Educator Effectiveness (MCEE), which was tasked with recommending an evaluation system. Public Act 102 established further requirements on how much student growth and achievement are to be used in evaluations, as well as requiring multiple observations, and allowing a waiver for districts that already have strong evaluation systems. As described above, the share of student growth and achievement data that must be part of an educator's and administrator's evaluation increases from 25% in 2013-2014 to the 50% requirement

¹ See MCL 380.1249 (2)(a)(i).

² Race to the Top application from January 9, 2010. Provided by the Michigan Department of Education

³ All Public Acts cited in this article may be found through the Michigan Legislature's website:
<http://www.legislature.mi.gov/>

⁴ Press release from April 27, 2011. <http://www.michigan.gov/snyder/0,1607,7-277--255197--,00.html>.



in the 2015-2016 school year. These reforms were cited in 2012 when the State applied for a waiver from the Elementary and Secondary Education Act, also known as No Child Left Behind (NCLB)⁵. Under NCLB, schools were required to have improvement plans if at least 10% of their teachers were not "highly qualified". With approval of the waiver, the State is now required to implement an evaluation and support system for educators. This means that the evaluation system is now federally required in addition to being required by the State.

Public Act 102 of 2011 also requires that districts conduct observations as a part of the educator evaluation process. Districts are further required to conduct observations that are consistent with the guidelines laid out by an observation tool vendor. The MCEE recommended four observation tools⁶. These tools are vendor-created rubrics (expectations and standards) and training that observers use to carry out the observation component of educator evaluations. The tools were selected based on empirical evidence. The four tools were piloted with various districts, and based on those findings⁷, the MDE will issue a Request For Proposal (RFP) to the four vendors by the summer of 2014 and select one tool that will be the State-sponsored observation tool. The Michigan Council for Educator Effectiveness also recommended that districts have a waiver option if they want to use alternative observation tools as part of the observation component of educator evaluations.

In addition, the MDE is phasing out the current statewide assessment (the Michigan Educational Assessment Program, or MEAP) for a new assessment that is better aligned with the common core standards that were adopted by the State Board of Education in June 2010. The new assessment will be computer-adaptive and is planned to begin in the 2014-2015 school year. The assessment also will include interim tests that can be used to better track student growth, which will be used to provide student growth and achievement data for educator and administrator evaluations.

Funding and Implementation

The Governor proposed \$49,414,000 in the FY 2014-15 budget for implementing the new evaluation system⁸. Of the \$49.4 million, \$11.6 million would be funded from State General Fund/General Purpose (GF/GP) revenue, while \$37.8 million would be funded from the School Aid Fund. Table 1 shows a breakdown of the costs during the phase-in of the evaluation system.

The implementation plan is divided into three main sections: observation tools, technical assistance, and assessments. The \$22.1 million appropriation recommended for observation tools would support training and licensing of the observation tool that the MDE will endorse, determined by the RFP process. The costs are estimated to cover training for every school in the State. Schools that chose an alternative observation tool also could receive funding equal to the amount that they would have received for using the State-sponsored tool. If the alternative observation tool costs more than the funds provided by the State, the school would have to cover the additional amount. The first year of implementation is expected to cost the most, because of the initial licensing fees and extensive training that most observers would need to go through. After FY 2014-15, those costs are expected to decrease before leveling off as reoccurring licensing fees decreased and less training would be needed.

⁵ ESEA flexibility request to the United States Department of Education in 2012. Provided by the Michigan Department of Education.

⁶ MCEE July 2013 report, p. 9. Provided by the Michigan Department of Education.

⁷ Lessons From a Pilot of Educator Effectiveness Tools. Institute For Social Research. December 2013. Provided by the Michigan Department of Education.

⁸ FY 2014-15 Executive Budget. February 2014. Provided by the State Budget Office.

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Table 1: EDUCATOR EVALUATIONS AND STUDENT ASSESSMENT PHASE-IN – INCREASED COSTS

	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
<u>MCEE Recommendations Increased Costs</u>					
<u>Observation Tools</u>					
Teacher Observations - Training and Licenses	\$19,253,800	\$12,623,100	\$11,269,000		
Administrator Observations - Training and Licenses	2,816,200	1,417,000	1,417,000		
Observation Tools Total.....	\$22,070,000	\$14,040,100	\$12,686,000		
Value-Added Modeling and Integrated Evaluation Total.....	\$3,030,000	\$5,605,000	\$6,955,000		
<u>State Administration Data Systems</u>					
School Aid	2,700,000	2,200,000	2,200,000		
Department of Education	5,914,000	5,014,000	5,014,000		
State Administration - Data Systems Total	\$8,614,000	\$7,214,000	\$7,214,000		
Technical Assistance Total.....	\$11,644,000	\$12,819,000	\$14,169,000		
MCEE Recommendations Total.....	\$33,714,000	\$26,859,100	\$26,855,000		
<u>Student Assessments Increased Costs</u>					
<u>Computer-Based Assessments – Online Reporting Tool</u>					
Converting to Computer-Based Assessments	\$8,500,000 ^{a)}	\$8,500,000	\$8,500,000	\$8,500,000	\$8,500,000
Online Reporting Tool to Districts	3,200,000	500,000	500,000	500,000	500,000
Computer-Based Assessments - Online Reporting Tool Total	\$11,700,000	\$9,000,000	\$9,000,000	\$9,000,000	\$9,000,000
<u>Interim Tests</u>					
Interim Tests: Development Costs.....	\$4,000,000	\$4,000,000	\$4,000,000	\$4,000,000	\$4,000,000
Interim Tests: Grades 3-11 ELA/Math	0	5,332,148	5,332,148	5,332,148	5,332,148
Interim Tests: Grades K-2, 12 ELA/Math	0	0	2,335,704	2,335,704	2,335,704
Interim Tests: Grades 3-11 Social Studies	0	0	0	2,665,444	2,665,444
Interim Tests: Grades 3-11 Sciences.....	0	0	0	0	2,666,704
Interim Tests Total.....	\$4,000,000	\$9,332,148	\$11,667,852	\$14,333,296	\$17,000,000
Assessments Increased Costs Total	\$15,700,000	\$18,332,148	\$20,667,852	\$23,333,296	\$26,000,000
TOTAL INCREASED COST.....	\$49,414,000	\$45,191,248	\$47,522,852		
^{a)} The \$8.5 million for converting to Computer-Based Assessment comes from existing appropriations in the Technology Infrastructure Grant fund and does not represent an increase in the current funding level.					
Note: Though the table does not include costs beyond FY 2016-17 for Observation Tools and Technical Assistance, those costs would continue, but would depend on future contracts and demand.					

Source: School Aid Educator Evaluation and Student Assessment Phase-In. February 2014. Provided by the State Budget Office.

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Technical assistance would be provided through the MDE and School Aid funding, totaling \$11.6 million under the Governor's recommendation for FY 2014-15. Of that total, a School Aid appropriation of \$3.0 million would provide value-added modeling for test results as well as integrating observation data with value-added modeling for districts. (Value-added modeling measures how much of an impact a teacher had on a student's growth in a given time period.) These funds also would be used to pilot alternative evaluations for students who could not be evaluated under the standard assessment. This funding is anticipated to increase as more assessments needed to be modeled and integrated with the observation tool. In addition, \$2.7 million would be appropriated from the School Aid budget to provide the teacher-student rosters that would be needed for evaluations. Finally, the MDE budget proposal includes \$5.9 million for hiring 21 additional staff who, it is estimated, would be needed to provide adequate technical assistance to school districts. These employees would provide technical support for evaluations, monitor implementation and compliance, create a waiver review process, and use educator evaluation results in rating educator preparation institutions. State administration costs are expected to decrease and then level off after the initial phase-in year.

The Governor's recommendation also calls for \$15.7 million to be used for student assessments. Of this total, \$8.5 million would be earmarked from the Technology Infrastructure Grant fund for converting to a computer-adaptive assessment, providing paper-and-pencil tests to districts that were not prepared to implement online assessments, and expand writing assessments to additional grades. This does not represent increased funding, but rather funding that would be earmarked from funds appropriated for the Technology Infrastructure Grant. Another \$7.2 million represents increased funding to student assessments for the new computer-adaptive assessment. Of the \$7.2 million, \$3.2 million would be used to develop and run an online reporting tool that students, teachers, and parents could use to see assessment results as soon as they were scored. After the initial development of this tool, the costs are projected to decrease to \$500,000 in ongoing costs. Interim tests are projected to see the greatest increase in costs over the next five years. These tests are estimated to cost \$4.0 million initially in FY 2014-15, but the cost is projected to grow to \$17.0 million by FY 2018-19. The increase is due to the growth in the number of interim tests that would be phased in over the upcoming years under the Governor's proposal. These interim tests would provide pretest and post-test comparisons, designed to improve the accuracy of measuring individual student growth.

Conclusion

The Governor's FY 2014-15 budget includes \$49.4 million to support the phase-in of new educator and administrator evaluations. This funding recommendation is based on MCEE recommendations and cost estimates. Of the total, \$8.5 million would come from existing sources, while \$40.9 million would come from increases in the School Aid and MDE budgets. The majority of the appropriation would be funded by the School Aid Fund (\$29.3 million), while \$11.6 million would come from GF/GP revenue. Fiscal Year 2015-16 costs are estimated to decrease to \$45.2 million after initial start-up costs are removed. In future years, however, those costs will increase as more interim tests are developed and phased in, if the Governor's proposal is implemented. Projections could change if further amendments are made to current law or the implementation plan.