

Department of Legislative Services
 Maryland General Assembly
 2013 Session

FISCAL AND POLICY NOTE

House Bill 1174 (Delegate Stein, *et al.*)
 Ways and Means

Educator Evaluation System - Pilot Program Extension

This bill requires the Maryland State Department of Education (MSDE) to extend the pilot program for the Educator Evaluation System until the State assessments are aligned with the Maryland Common Core State Curriculum and the assessments are fully implemented. MSDE must take the steps necessary to implement the requirements of the bill.

The bill takes effect June 1, 2013.

Fiscal Summary

State Effect: Extending the pilot program for the Educator Evaluation System until the State assessments are aligned with the Maryland Common Core State Curriculum and the assessments are fully implemented may jeopardize \$37.9 million in federal Race to the Top (RTTT) funds. The bill also potentially jeopardizes \$708.8 million in federal Title I, special education, and other federal funds from the U.S. Department of Education in FY 2014 and an estimated \$722.6 million in FY 2015.

(\$ in millions)	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
FF Revenue	(\$37.9)	\$0	\$0	\$0	\$0
Expenditure	0	0	0	0	0
Net Effect	(\$37.9)	\$.0	\$.0	\$.0	\$.0

Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate effect

Local Effect: Local school system federal RTTT and other federal revenues may also be jeopardized. Expenditures are not affected.

Small Business Effect: None.

Analysis

Current Law/Background:

Education Reform Act

The Education Reform Act of 2010 (Chapter 189/HB 1263) made significant changes to Maryland's teacher and principal evaluation process and helped the State to land a \$250 million federal RTTT grant. Educator evaluation models were piloted in seven school systems during the 2011-2012 school year and were refined over the summer by the Maryland Council for Educator Effectiveness in preparation for statewide field testing underway this school year and full implementation in the 2013-2014 school year. The Act required the State Board of Education to adopt regulations establishing general standards for performance evaluations of certified teachers and principals and requires student growth to be a significant component in the evaluations. The redesign of teacher and principal evaluations was one of the primary reforms identified in Maryland's RTTT application. Recommendations for the new educator evaluation systems were developed by the Maryland Council for Educator Effectiveness (MCEE), which the Governor established by executive order on June 1, 2010.

Flexibility Waiver and Educator Evaluation Reforms

In the absence of congressional reauthorization of the Elementary and Secondary Education Act (ESEA) (also known as the No Child Left Behind Act), the U.S. Department of Education offered states an opportunity to apply for ESEA flexibility. To receive a waiver, states had to outline how they would improve instruction and student academic achievement. Flexibility waives 10 ESEA requirements (and up to three optional ESEA requirements) including achieving 100% student proficiency by 2014; supplemental education services and school choice; corrective action, school restructuring, and improvement plan requirements; and Title I and Title II fund restrictions for districts that do not achieve Highly Qualified Teacher requirements.

To receive an ESEA waiver, states had to include in their application a plan to improve effective instruction and leadership. To this end, Maryland's application included the State's new teacher and principal evaluations system. As a result, all local school systems (including those that did not sign on to the RTTT grant) must essentially comply with the Education Reform Act, which requires teachers and principals to be evaluated using a State or local model that assigns "significant value" to measurable student growth.

Educator Evaluation System Changes Based on 2011-2012 Pilot

During the 2011-2012 school year, seven local school systems (Baltimore City and Baltimore, Charles, Kent, Prince George's, Queen Anne's, and St. Mary's counties) piloted new teacher and principal evaluation systems. Each system selected teachers at multiple grade levels and subject areas to participate. On June 1, 2012, MCEE issued final recommendations for a statewide educator evaluation system revised based on feedback from the pilot systems. While the initial student growth measure recommendation combined State growth measures (30%) and local growth measures (20%), stakeholder feedback indicated difficulty in distinguishing between State and local measures for grade and content areas in which State assessments are administered and local assessments are not available. In response, MCEE endorsed a 50% blended State/local growth measure and the mandatory use of the State assessments among the growth measures used in grades and subjects in which they are administered.

In addition, though MCEE initially recommended that teachers receive an effective rating in the student growth measure to be rated effective overall, the pilot systems requested equal weighting of the student growth and professional practice components, and MCEE agreed.

In response to concerns regarding the cost of annual evaluations, MCEE agreed to conduct evaluations within a three-year cycle. All teachers and principals will be evaluated on both professional practice and student growth in the first year. Teachers rated as ineffective during the first year, nontenured teachers, and principals will receive annual evaluations on professional practice and student growth during the cycle's remaining two years. Tenured teachers rated highly effective or effective in the first year will receive annual student growth evaluations only, with their professional practice rating carried forward and included in the total rating for the last two cycle years.

Finally, though initial MCEE recommendations established three tiers of evaluation ratings (highly effective, effective, and ineffective), some pilot systems suggested adding a developing/approaching effectiveness tier. MCEE agreed that a local school system could choose to adopt the fourth category.

State Board of Education Adopts Evaluation Regulations

On June 26, 2012, the State board adopted regulations implementing MCEE's evaluation recommendations, as required by the Education Reform Act. Beginning with the 2013-2014 school year, the regulations require that (1) teacher and principal evaluations meet the minimum standards set forth in the regulations and (2) student growth account for 50% of evaluations in all local school systems that signed the RTTT application.

The regulations also specify that if a local school board and the exclusive employee representative do not reach agreement on an evaluation system, the school board must adopt the Model State Performance Evaluation Criteria, 20% of which is based on State test scores for grades 3 to 8 content areas. In all evaluation systems, the student growth component will account for 50% and must include multiple measures, such as aggregate class growth scores, student learning objectives, and a schoolwide performance index. The professional practice component will also count for 50% of an evaluation. For teachers, this component includes planning and preparation, classroom environment, instruction, and professional responsibility. For principals, the component will include the outcomes in the Maryland Instructional Leadership Framework and outcomes developed by the Interstate School Leaders and licensure Consortium. The regulations sunset on September 30, 2014, subject to review by the State board and re-promulgation of the regulations.

Due to the ESEA Flexibility Waiver, All Local School Systems Must Participate

Though the regulations specify that all RTTT participating local school systems must comply with the new teacher/principal evaluation requirements, Maryland's ESEA flexibility waiver includes teacher and principal evaluations among the reforms on which flexibility is predicated. Because all local school systems are a party to the flexibility waiver, all must participate in the revised evaluation scheme. Regulation required all local school systems to identify an evaluation model or default to the State model by December 26, 2012. While all local school systems met the December deadline, the proposed model submitted by nine local school systems were rejected by MSDE due to failure to comply with the evaluation regulations: Baltimore, Carroll, Cecil, Charles, Frederick, Montgomery, St. Mary's, and Washington counties. Local school systems may submit amended evaluation system plans to MSDE in May 2013. Local school systems whose plans do not adhere to evaluation regulations at that time must adopt the State default model.

Assessments to Measure College and Career Readiness

The Maryland RTTT application emphasized various areas of State reform, including the adoption of standards and assessments that prepare students to succeed in college and the workplace and to compete in the global economy. The Common Core State Standards are a group of high-quality academic standards in English/language arts and mathematics that define both the knowledge and skills all students should have acquired at the conclusion of each grade level to be on track for success in college and careers. The standards were created through a joint initiative led by states and have been adopted by more than 40 states, including Maryland. During the 2010-2011 school year, in order to define the content and skills that students need to master, educators throughout Maryland collaborated to establish the Maryland Common Core State Curriculum Framework in

English/language arts and mathematics. The framework is the basis of the new State curriculum. During the 2011-2012 school year, teachers representing local school systems assisted in the development of model units and lessons aligned to the standards. MSDE conducted Educator Effectiveness Academies in the summer of 2011 and 2012 to provide professional development to teachers from every school in the State. Academies are scheduled to continue through 2013. The standards will be implemented statewide by the 2013-2014 school year.

MSDE also participates in the Partnership for Assessment of Readiness for College and Careers (PARCC). PARCC is a consortium of 24 states that is designing an assessment system aligned with the Common Core Standards for English/language arts and mathematics. According to MSDE, the PARCC assessments will measure student progress and track status on a trajectory toward college- and career-readiness. The assessments will be computer-based and are designed to evaluate higher order skills, including critical thinking, communications, and problem solving. PARCC will first be administered in the 2014-2015 school year and will be used in lieu of existing State assessments beginning in the 2015-2016 school year. Beginning in 2014, MSDE will provide online toolkits to teachers to assist them in designing instructional content that is aligned with the new curriculum and assessments. The State Superintendent of Schools and the University System of Maryland Chancellor participate in the PARCC governing board that will set the threshold scores for the PARCC assessments. The “cut scores” set by the board will be used to determine whether a student passes the test and whether a student is ready for credit-bearing courses at the college level in each subject (*i.e.*, the student does not need remediation). The “cut scores” will be set in summer 2015.

State Revenues: Extending the pilot program for the Educator Evaluation System until the State assessments are aligned with the Maryland Common Core State Curriculum and the assessments are fully implemented may jeopardize \$37.9 million in federal RTTT funds. MSDE reports that the bill will delay the effective date of the new teacher and principal evaluation system until the 2015-2016 school year. Doing so will put Maryland in violation of its federal RTTT grant terms and will put in jeopardy \$37.9 million of its RTTT grant funds unless the grant terms with the U.S. Department of Education are amended. The U.S. Department of Education sent a letter to the Governor on December 12, 2012, which referenced the possibility of withholding the \$37.9 million if the State does not substantially comply with the conditions of the RTTT agreement. This includes fully implementing the Educator Evaluation System during the 2013-2014 school year.

It is unknown if the U.S. Department of Education will allow MSDE to amend the RTTT grant terms to delay the implementation of the new teacher and principal evaluation system until the 2015-2016 school year. The grant terms were already amended once to delay the implementation of the new teacher and principal evaluation system by one year,

from the 2012-2013 school year to the 2013-2014 school year. If the U.S. Department of Education allows the RTTT grant terms to be amended than revenues will not be affected.

Due to Maryland's ESEA flexibility waiver, all local school systems must participate in the revised teacher and principal evaluations beginning with the 2013-2014 school year. Thus, the State will also be out of compliance with the waiver if the pilot program for the Educator Evaluation System is extended until the 2015-2016 school year, when it is anticipated that the Maryland Common Core State Curriculum and the PARCC assessments are fully implemented. Thus, the bill also potentially jeopardizes \$708.8 million in federal Title I, special education, and other federal funds from the U.S. Department of Education in fiscal 2014, and an estimated \$722.6 million in fiscal 2015.

Local Revenues: Local school system federal RTTT revenues may also be jeopardized. However, a letter received by MSDE from the U.S. Department of Education was silent on the issue.

Additional Information

Prior Introductions: None.

Cross File: None.

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