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Final Fiscal Note

Drafting Number: LLS 22-0247 **Date:** August 10, 2022
Prime Sponsors: Sen. Bridges **Bill Status:** Signed into Law
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Bill Topic: **K-12 LICENSED PERSONNEL PERFORMANCE EVALUATIONS**

Summary of Fiscal Impact:

<input type="checkbox"/> State Revenue	<input type="checkbox"/> TABOR Refund
<input checked="" type="checkbox"/> State Expenditure	<input type="checkbox"/> Local Government
<input type="checkbox"/> State Transfer	<input checked="" type="checkbox"/> School District

The bill make changes to performance evaluations for K-12 licensed personnel, including requiring that student academic performance make up 30 percent of a teacher's or principal's evaluation. The bill increases state and school district expenditures on an ongoing basis.

Appropriation Summary: For FY 2022-23, the bill requires and includes an appropriation of \$452,973 to the Colorado Department of Education.

Fiscal Note Status: The fiscal note reflects the enacted bill.

Table 1
State Fiscal Impacts Under SB 22-070

		Budget Year FY 2022-23	Out Year FY 2023-24
Revenue		-	-
Expenditures	General Fund	\$452,973	\$151,917
	FTE	0.1 FTE	-
Transfers		-	-
Other Budget Impacts	General Fund Reserve	\$67,946	\$22,788

Summary of Legislation

The bill makes changes to performance evaluations for K-12 licensed personnel, as described below.

Student performance measures. For evaluations conducted beginning in the 2023-24 school year, the State Board of Education (SBE) must promulgate rules ensuring that 30 percent of a teacher or principal's evaluation is determined by the academic growth of the teacher's students or students in the principal's school, with the remainder based on attainment of quality standards. This applies to evaluations using the state model or locally developed licensed performance evaluation systems.

Of the 30 percent of the evaluation determined by academic growth, up to 10 percent may be based on collective academic performance measures of all students enrolled in a school, or a grade level within the school, but may not include students not enrolled at the school. For personnel that have been employed by the district or BOCES for one school year or less, evaluations must not include collective measures of student performance and must not be based on data created prior to the licensed personnel's employment.

State duties. For evaluations beginning in the 2023-24 school year, the Colorado Department of Education (CDE) must:

- create a modified rubric for measuring the performance for personnel rated as highly effective for at least three consecutive school years;
- create rubrics for measuring performance of personnel in specialized teacher or principal roles, in collaboration with school districts and BOCES;
- provide evaluator training at no cost to school districts and BOCES;
- provide guidelines for considering professional growth achievements as proof that they meet quality standards; and
- provide information on best practices for conducting personnel evaluations.

Definitions and deadlines. The bill clarifies the definition of licensed personnel, and requires that a school district or BOCES complete written evaluation for all licensed personnel and report performance ratings to CDE by October 15 of the year following the year for which educators are evaluated.

Innovative methods and training. The bill encourages school districts and BOCES to experiment with innovative methods of observation, which may include observations by mentors, coaches, peers, department leaders, video, or digital recording, and to provide training to multiple people to serve as an evaluator to allow a licensee to request an alternative evaluator.

Background

Under current law, all licensed educators must be evaluated annually. Districts and BOCES may use the state model performance evaluation system (COPMS) or develop a local evaluation system that meets state requirements. Fifty percent of the evaluation must be based on quality standards set by the SBE, and 50 percent of teacher and principal evaluation must be based on student academic growth. For the 2020-21 school year, evaluation ratings for licensed personnel did not include consideration of student academic growth or other student performance measures.

State Expenditures

The bill increases state expenditures in CDE by \$452,973 in FY 2022-23, and by \$151,917 in FY 2023-24 from the General Fund. Expenditures are shown in Table 2 and detailed below.

**Table 2
Expenditures Under SB22-070**

	FY 2022-23	FY 2023-24
Department of Education		
Contractor – Rubrics	\$146,794	\$46,738
Contractor – Trainings	\$175,000	\$100,000
Contractor – Collective Measures	\$21,265	\$5,179
Computer Programming	\$90,200	-
Legal Services	\$19,714	-
FTE – Legal Services	0.1 FTE	-
Total Cost	\$452,973	\$151,917

¹ Centrally appropriated costs are not included in the bill's appropriation.

Colorado Department of Education. The department requires funding to make changes to the state model system, and to develop the required rubrics and trainings.

- **Computer programming.** CDE will incur costs to create a new data collection field for districts and BOCES to submit personnel performance ratings by June 30 of the year in which the evaluations occurred. In FY 2022-23 only, it is expected to require about 722 hours, at a rate of \$125 per hour.
- **Rubrics.** CDE will incur costs to create rubrics for highly effective educators and specialized principal and teacher positions. Costs for the rubrics are based on vendor estimates, and include developing the evaluations, adjusting reports to include the modified rubric, building in the ability of evaluators to select the educators using the new rubric, and ongoing maintenance. Three specialized rubrics will be developed in collaboration with school districts at \$10,000 each in the first year, and \$5,000 each in subsequent years.
- **Trainings.** CDE will hire a consultant to develop and implement evaluator training, at no cost to school districts or BOCES. Costs are estimated at \$175,000 in FY 2022-23, and \$100,000 in subsequent years, and include developing materials, travel to provide the training, and the creation of an online training platform.
- **Academic growth.** CDE will incur costs to modify COPMS to allow 30 percent the evaluation to be based on academic growth, of which up to 10 percent may be from collective measures of student growth. The cost to modify current vendor contracts to make these changes are estimated at be \$21,265 in FY 2022-23, and \$5,179 for maintenance costs in subsequent years.

- **Legal services.** CDE requires 200 hours of legal services to conduct rulemaking in FY 2022-23. This equates to 0.1 FTE in the Department of Law. The fiscal note assumes that legal needs in subsequent years will be under 100 hours, and thus absorbable. Legal services are provided at a rate of \$98.57 per hour.

Other Budget Impacts

General Fund reserve. Under current law, an amount equal to 15 percent of General Fund appropriations must be set aside in the General Fund statutory reserve beginning in FY 2022-23. Based on this fiscal note, the bill is expected to increase the amount of General Fund held in reserve by \$67,946 in FY 2022-23, and by \$22,788 in FY 2023-24, which will decrease the amount of General Fund available for other purposes.

School District

The bill increases one-time costs for school districts to adjust their performance evaluation systems to align with the requirements in the bill, provide training to evaluators, and communicate changes to personnel. One mid-sized school district estimated that costs may be approximately \$50,000; however, actual costs will vary by district. Some districts use the state model performance evaluation system and others have developed their own evaluation systems. Currently, 148 districts, 19 charter schools, and 13 BOCES use the Colorado Performance Management System offered by CDE.

Effective Date

The bill was signed into law by the Governor and took effect on May 24, 2022.

State Appropriations

In FY 2022-23, the bill requires and includes a General Fund appropriation of \$452,973 to the Colorado Department of Education. Of this amount, \$19,714 is reappropriated to the Department of Law, and 0.1 FTE.

State and Local Government Contacts

Education Law School Districts