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Fiscal Note

Drafting Number:	LLS 22-0728	Date:	February 11, 2022
Prime Sponsors:	Sen. Story Rep. Froelich; Kipp	Bill Status:	Senate Education
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Bill Topic: USE OF STUDENT GROWTH IN EDUCATOR 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 removes the requirement that student academic growth make up at least 50 percent of educator performance evaluations, and requires the State Board of Education to promulgate rules for the state educator performance evaluation system. The bill increases state expenditures and school district workload on a one-time basis.

Appropriation Summary: For FY 2022-23, the bill requires an appropriation of \$20,000 to the Colorado Department of Education.

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

**Table 1
State Fiscal Impacts Under SB 22-044**

		Budget Year FY 2022-23	Out Year FY 2023-24
Revenue		-	-
Expenditures	General Fund	\$20,000	-
Transfers		-	-
Other Budget Impacts	General Fund Reserve	\$3,000	-

Summary of Legislation

The bill removes the requirement that student academic growth make up at least 50 percent of licensed educator performance evaluations, and requires the State Board of Education (SBE) to promulgate rules to ensure that the state model performance evaluation system:

- provides that student academic growth does not constitute a specific percentage of a teacher or principal's evaluation and, along with quality standards, is only part of a comprehensive evaluation;
- provides that student assessment results are used solely as a basis for identifying strategies to improve instructional practice;
- allows the use of collective school or grade level student scores on statewide and district assessments to be used solely for specific purposes; and
- allows the use of collective measures that are based on the performance of all students in a school or within a grade level, but does not allow the use of collective measures that are based on students who are not enrolled in a single school.

Rules must be in place for evaluations beginning in the 2022-23 school year. School districts and boards of cooperative education services (BOCES) that adopt their own evaluation systems must align with SBE rules, and in considering academic growth, may consider academic growth as measured by a combination of indicators, such as test scores, academic work, and achievement of learning objectives that are identified before the beginning of the evaluation cycle.

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

In FY 2022-23 only, the bill increases state expenditures from the General Fund by \$20,000 in the Colorado Department of Education. Eliminating the percentages for student academic growth requires one-time changes to the COPMS system. Changes include modifying settings used by school districts and BOCES, final evaluations, and summative reports.

The bill also increases workload for the SBE to adopt rules and adjust public reporting on educator effectiveness. Legal services to support rulemaking are provided by the Department of Law. The increased workload can be accomplished within current appropriations.

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 \$3,000 in FY 2022-23, 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 up to \$50,000; however, that likely represents a maximum cost. Actual costs will vary by district, as some districts use the state model performance evaluation system and others have developed their own evaluation systems. COPMS is currently used by 148 school districts, 19 charter schools, and 13 BOCES.

Technical Note

The bill requires that new rules be in place before the 2022-23 school year; however, the rulemaking process is anticipated to take at least five months. Depending on when the bill takes effect, rules may not be adopted by the beginning of the 2022-23 school year.

Effective Date

The bill takes effect upon signature of the Governor, or upon becoming law without his signature.

State Appropriations

In FY 2022-23, the bill requires a General Fund appropriation of \$20,000 to the Colorado Department of Education.

State and Local Government Contacts

Education Law School Districts