



OHIO LEGISLATIVE SERVICE COMMISSION

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Fiscal Note & Local Impact Statement

Bill: H.B. 540 of the 132nd G.A.

Status: As Introduced

Sponsor: Reps. Gavarone and Manning

Local Impact Statement Procedure Required: Yes

Subject: Teacher evaluation system

State & Local Fiscal Highlights

- Most public districts and schools will need to formally observe teachers more frequently under the bill, which may increase their costs if additional evaluators are necessary.
- The bill's revisions to the teacher evaluation system, generally effective beginning in FY 2020, may increase or decrease the workload or costs of public districts and schools, depending on how the system is implemented. The Cleveland Municipal School District (CMSD) and its teachers' union must jointly decide to adopt the revised statewide framework or continue using its current framework.
- The Ohio Department of Education (ODE) will likely incur costs to apply the bill's changes to the online system available for districts and schools to determine educator performance (the electronic Teacher and Principal Evaluation System or "eTPES"), the extent of which will depend on implementation decisions, and to operate a pilot program in FY 2019 that will guide implementation of the revised teacher evaluation framework.

Detailed Fiscal Analysis

Summary of revised evaluation framework

The bill makes a number of changes to the Ohio Teacher Evaluation System (OTES) based on the January 2017 recommendations made by the Educator Standards Board for revising the system.¹ Notably, the bill:

- Requires the Ohio Department of Education (ODE) to revise the state framework for OTES based on those recommendations and requires the State Board of Education to adopt the revised framework by May 1, 2019,

¹Jacques, Catherine, Jessica Giffin, and Amy Potemski, "Ohio Educator Standards Board Recommendations for Revising the Ohio Teacher Evaluation System," January 2017, accessible online at http://education.ohio.gov/getattachment/Topics/Teaching/Educator-Standards-Board/OTES-Recommendations-By-ESB_Jan2017_FINAL.pdf.aspx.

and each district board, by July 1, 2019, to update its teacher evaluation policies to conform to the updated framework;

- Eliminates an option for districts to formally observe an "accomplished" teacher only once (instead of the general requirement of twice) as part of the teacher's evaluation if the teacher meets certain requirements;
- Eliminates a requirement that 50% of an evaluation consist of value-added student data and replaces it with at least two measures of "high-quality student data," as defined by ODE, including the value-added progress dimension and at least one other measure;
- Eliminates shared attribution of performance data among all teachers in a district, building, grade, content area, or group;
- Eliminates the alternative framework for the evaluation of teachers;
- Prohibits the use of student learning objectives.

Provisions with a notable fiscal effect are described in more detail below.

Frequency of formal observations and evaluations

The current teacher evaluation framework requires that during any year a teacher is evaluated, a school must conduct at least two 30-minute formal observations of that teacher. However, current law also permits a school district board to require only one formal observation of a teacher in an evaluation year if that teacher received an "accomplished" rating on their most recent evaluation and completed an approved project. The bill eliminates this option for school district boards and thus requires schools to conduct two formal observations of a teacher during an evaluation year, regardless of the teacher's rating. Costs may increase for districts and schools that have elected to formally observe "accomplished" teachers only once during an evaluation year if they find it necessary to hire or contract with additional evaluators in order to complete more frequent formal observations. In the 2016-2017 school year, approximately 58% of teachers were rated "accomplished."

Note that the bill continues the current law provision of requiring a school to conduct at least one formal observation in the year the teacher is not being evaluated for any teacher who received an "accomplished," or "skilled" rating. According to ODE, 679 out of 711 public schools, educational service centers, joint vocational school districts, and other education agencies that are required to use OTES have opted for a less frequent interval cycle for formal observations and evaluations.

Other potential effects on public districts and schools

Public districts and schools may experience an increase or decrease in workload or costs associated with other provisions in the bill. The bill's removal of the alternative framework may result in additional work for districts and schools that were using the alternative framework to comply with the requirements of the revised framework. According to ODE, 41 school districts and 25 community schools are currently using the alternative framework to evaluate teachers. There may also be costs to train educators

on the revised system and, for districts that either opt in or are selected by ODE, to participate in the pilot program created by the bill.

On the other hand, the bill eliminates costs for districts and schools to pay for content area tests for traditional and joint vocational school teachers of core subject areas that have been rated "ineffective" for two of the three most recent school years and all teachers of core subject areas in "low-performing" community and STEM schools (i.e., the schools ranking in the lowest 10% of all public school buildings by performance index score). Current law prohibits teachers from paying the cost of the tests. In practice, districts and schools purchase vouchers from the test vendor or make other arrangements to handle payment or reimbursement for the tests, depending on which tests are taken. In addition, the bill will eliminate teacher workload associated with creating student learning objectives that measure student progress in subjects or grades lacking state assessments or other approved assessments.

Cleveland Municipal School District

Current law establishes separate teacher and administrator evaluation procedures exclusively for the Cleveland Municipal School District (CMSD). The bill requires CMSD's board of education and the teachers' labor organization to jointly decide whether to update the district's evaluation procedures to match the evaluation framework adopted under the bill or to continue to be subject to its current law system. The decision must be made by July 1, 2018. If CMSD and the teachers' labor organization elect to adopt the revised statewide framework, the district may experience an increase or decrease in administrative workload or costs as described above.

Ohio Department of Education

The Ohio Department of Education (ODE) will likely incur some additional costs to apply the bill's changes to the online system available for districts and schools to determine educator performance, referred to as the electronic Teacher and Principal Evaluation System (eTPES). However, the bill's changes are not likely to have a substantial effect on ODE's costs to operate OTEs from year to year. The extent of any new costs ultimately will depend on the manner in which the bill's revisions are implemented.² State funding for OTEs is spread throughout various GRF and non-GRF earmarks in ODE's budget.

In addition, if CMSD and the teachers' labor organization elect to continue using the district's current evaluation framework, there may be additional costs to ODE to maintain eTPES, particularly with respect to evaluator credentialing, as the bill may result in ODE maintaining the existing credentialing system for CMSD evaluators and a revised system for evaluators in the rest of the state. All evaluators, including those evaluating CMSD teachers and administrators, use eTPES to maintain their evaluator

² For reference, prior changes to OTEs in 2013 cost roughly \$500,000 to implement, according to ODE.

credential. To do so, an evaluator must complete certain amounts of training and pass a corresponding test every two years.

The bill may also increase ODE's administrative costs in various ways. The bill requires ODE to operate a pilot program for certain school districts to guide the implementation of the revised framework for the 2018-2019 school year before it goes into effect statewide. In carrying out the pilot program, ODE must issue a request for school districts to volunteer, but may designate districts to participate as necessary to ensure an adequate pool. It must also provide professional development and technical assistance to teachers and evaluators of districts participating in the pilot project, collect feedback on implementation of the framework, and use that feedback to guide adjustments to the system. Separately, the bill also requires ODE to provide guidance to districts on various aspects of the revised evaluation system.

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