



May 19, 2011

HF 945-2E (Petersen et al):
Teacher and principal evaluations and tenure modified

Local Fiscal Impact*

Net Expenditure/Revenue Change

Dollars in Thousands, State Fiscal Years

| | <u>FY 2012</u> | <u>FY 2013</u> | <u>FY 2014</u> | <u>FY 2015</u> |
|-------------------------|-----------------|-----------------|-----------------|-----------------|
| Expenditure | 36,213 | 45,910 | 115,088 | 115,088 |
| Revenue | | | 48,921 | 54,896 |
| Statewide Impact | \$36,213 | \$46,315 | \$66,271 | \$60,192 |

*Estimate determined using a single-observation teacher evaluation model. A more time-intensive teacher evaluation model may be more costly. See page 8 for more information on an estimated range of local fiscal impact.

Explanation of the Bill

HF 945-2E establishes a statewide teacher evaluation and professional development structure and changes the terms of teachers' employment for all K-12 teachers so that decisions about teachers' continued employment over five-year periods are informed by measures of teachers' performance effectiveness based on student achievement. Other teacher tenure provisions regarding how teachers are put on unrequested leaves of absence are modified. The bill also requires annual principal evaluations beginning in FY 2014. The bill establishes salary bonuses for the most highly effective teachers and establishes an advisory task force to make recommendations on fully implementing this teacher evaluation and professional development structure. HF 945 Additionally, a taskforce is created to develop the principal evaluation system to be implemented in the next biennium.

Local Impact Analysis Methodology

To estimate the statewide local government impact of the changes included in HF 945-2E, MMB:

- Interviewed officials at Anoka-Hennepin school district. Reviewed assumptions they used in their alternative compensation (Q Comp) application and aligned the assumptions with HF945-2E.
- Reviewed alternative compensation applications submitted to the Department of Education (MDE) to identify cost drivers for evaluation systems.
- Discussed assumptions and methodology with representatives from the Association of Metropolitan School Districts, Minnesota Association of School Administrators, Minnesota Rural Education Association, and Schools for Equity in Education.
- Reviewed the assumptions and methodology with the Department of Education's school improvement staff.
- Used data publicly available on the Department of Education's website to determine the average number of teacher FTEs by district, average teacher salary by district, average principal salary by district, average number of principals by district, and average superintendent salary by district. Data was from FY 2010-11.

Because HF945-2E requires an evaluation framework based on scientifically-based research practices, and conversations with stakeholders indicated that the three-observation annual evaluation method utilized under Q Comp is a rigorous research-based methodology, fiscal estimates are oriented towards a Q Comp style evaluation system, called "Model #1" within the note. However, because the bill only requires one evaluation annually, a cost estimate is provided for a one-evaluation model as well, described below as "Model #2".

Finally, we used the same assumptions to evaluate districts with fewer than 2,000 pupil units and charter schools. Though charter schools will likely implement a teacher evaluation and staff development model that looks different from that implemented by districts, total costs are assumed to be similar.

Local Impact Analysis of HF 945:

There are 338 school districts and 178 charter schools statewide, each with unique demographics. In order to estimate an average cost, school districts and charter schools were divided into five categories derived from commonly used categories by the Department of Education. The categories include inner ring metro school districts (including Minneapolis and Saint Paul), outer ring metro school districts, nonmetro districts with pupil units equal or greater than two thousand, nonmetro districts with pupil units under two thousand, and charter schools. Districts are considered “inner ring” if they share a common border with Minneapolis or Saint Paul. MDE typically breaks out two additional categories, including urban districts (Minneapolis and Saint Paul) and rural districts with pupil units between one thousand and two thousand. Upon review of how those districts differed from other categories, we found that they weren’t significantly different for the purposes of our analysis and we consolidated urban districts into the inner ring metro category, and rural districts with pupil units between 1,000 and 2,000 into a category called nonmetro districts with pupil units under 2,000.

Initial discussions with Anoka-Hennepin, school association representatives, and MDE regarding this bill addressed the components of an effective teacher evaluation and staff development model. HF945-2E requires one annual evaluation, a parent survey and the inclusion of student achievement data in the evaluation, and allows additional methodologies as long as the methodology is research based. According to Anoka-Hennepin and MDE staff, a strong research-based evaluation methodology is currently implemented in the majority of Q Comp districts, and most include a three-observation per year evaluation model. To create cost estimates, we began with examining Q Comp plans on file with the Department of Education. Q Comp plans implemented by districts already participating in Q Comp provided us the framework for building a total cost estimate of HF 945-2E for all districts in the state.

| Table 1 | |
|---|---|
| Alternative Teacher Pay District Requirements | HF 945 Statutory Requirements |
| Districts must have assessment and evaluation tools to measure student performance. School-wide student achievement gains will be used, in part, to determine teacher compensation increases. | Teacher-specific student assessments must be used as the primary basis for teacher evaluation, as well as one teacher observation-evaluation and a parent survey. |
| Districts must have district-wide performance goals and benchmarks for improvement. | Staff development activities must be aligned with district and school site staff development plans, based on student achievement data. |
| Teachers must receive individual evaluations using multiple criteria conducted by a locally selected and periodically trained evaluation team that understands teaching and learning. | Teachers must receive instructional based observations using objective standards-based assessments. Teacher evaluations must include one annual evaluation and a parent survey and may include other research-based measures. |
| A rigorous research-based professional development system must exist that is aligned with educational improvement and designed to achieve ongoing and school wide progress and growth in teaching practice. | Staff development activities must focus on scientifically based research strategies, and be aligned with district and school site staff development plans. |
| A data system about students and their academic progress that provides parents and the public with understandable information must be used to evaluate teacher performance. | Districts will collect and aggregate student data to implement teacher evaluation as outlined in HF 945. |
| A district must have a teacher induction and | Districts will establish a professional development |

| | |
|--|---|
| mentoring program for probationary teachers that provides continuous learning and teacher support. | model for probationary teachers, consistent with those outlined under MS 122A.60, 122A. 61 and 122A.414, if applicable. Districts will provide job-embedded or integrated professional development. |
|--|---|

This local impact note assumes districts and charters would implement a teacher evaluation system similar to those found in Q Comp programs. Districts participating in the Q Comp program were required to submit applications and budgets to MDE. MMB sampled the Q Comp plans and estimated the cost of an average teacher evaluation program for each category of school.

| Table 2 | |
|--------------------------|--|
| District Category | Sampled Q Comp Plans |
| Inner Ring Metro | Hopkins, Edina, St. Anthony-New Brighton |
| Outer ring Metro | Rosemount-Apple Valley, Anoka-Hennepin, Spring Lake Park |
| Nonmetro < 2K | Minneota, Lakeview |
| Nonmetro > 2K | Brainerd, North Branch |
| Charter | ECHO, Sojourner Truth, ARTech |

Using data from the Minnesota Department of Education, we determined the average number and salary of teacher FTEs in each district category, the average number and average salary of principals in each district category, and the average superintendent salary in each district category. This provides the basis for our cost estimates. For this analysis, our average salary and FTE data remains static over time, so if changes are made in the average number of teacher or principal FTEs, or the average salaries of teachers, principals or superintendents, this would change the fiscal impact of the bill.

| Table 3 | District Category Average | | | | |
|-------------------------------|----------------------------------|-----------------------|-------------------------|-----------------------------|------------------------------|
| District Category | Teacher FTE | Teacher Salary | Principal Salary | Number of Principals | Superintendent Salary |
| Inner Ring Metro & Urban Core | 638 | 57,116 | 114,379 | 15 | 168,018 |
| Outer ring Metro | 448 | 56,216 | 118,493 | 9 | 158,299 |
| Nonmetro < 2K | 50 | 46,382 | 82,422 | 2 | 100,908 |
| Nonmetro > 2K | 259 | 51,294 | 103,030 | 6 | 133,861 |
| Charter | 17 | 39,072 | 72,184 | 1 | - |

PART 1. TEACHER EVALUATION

According to discussions with Anoka-Hennepin and MDE, a rigorous teacher evaluation system requires multiple observations within a calendar year and evaluations performed by more than one individual. The majority of districts participating in a Q Comp plan conduct at least three classroom observations per year. The observations throughout the year result in at least one summative and one formative evaluation. After the classroom observations, feedback and/or coaching occurs to provide follow-up to the teacher. In addition, several districts provide a third observation by a “colleague observer” that works on a regular basis with the evaluated teacher. Depending on the size of a given district, districts may have full-time evaluation staff or may rely on part-time peer evaluators who also serve as teachers to conduct a certain number of evaluations per year.

Because the cost estimates are based on Q Comp applications, the average estimated cost per district in “Model #1” is the estimated cost of districts implementing the more rigorous teacher evaluation model above and beyond the expenditures districts and charters already spend on these activities. It is assumed districts that implemented Q Comp already spent money on teacher evaluation and staff development and the budget within their applications identified additional costs. “Model #2” is the estimated cost of

districts implementing a single teacher observation-evaluation, combined with evaluation based on student achievement and a parent survey, which reduces local fiscal impact.

A - Teacher Evaluation Assumptions for Inner Ring Metro & Urban Core Districts

Under Model #1, we assumed that those districts in the inner ring metro and urban core and outer ring metro categories would employ full-time evaluation staff. Anoka-Hennepin indicated that they use an 80:1 teacher to evaluator ratio as the factor driving the number of evaluators they require. This creates full-time staff and program administrator costs, as well as program support costs, data management costs related to collecting and aggregating student performance data, and release time and training costs for colleague observer evaluations.

Assumptions for inner ring metro and outer ring metro teacher evaluation programs using Model #1:

- The program would require one evaluation administrator per district, at the average cost of a principal in that district.
- Program support costs are estimated to be \$308 per teacher FTE. These costs would allow for program development and administration and the required annual parent survey.
- Data management costs related to collecting, aggregating, and analyzing student assessment data will be a large component of this program. We assume two Information Technology (IT) FTE will be required to develop and maintain such a system, at an average cost of \$62,827 per FTE (1.1 times the average teacher salary in the district).
- Large districts will hire full-time teacher evaluators. Each teacher evaluator will be assigned to evaluate 80 teachers. Salary for each teacher evaluator is assumed to be 125% of the average teacher salary, since teacher evaluators will likely be master teachers. Teacher evaluators will also be given reimbursement for travel, since they will be driving throughout the district. This is assumed to be \$300 per teacher evaluator per year.
- For continuing contract teachers only, one of three annual teacher evaluations will be conducted by a colleague observer, most likely located at the same school site as the teacher being evaluated. This colleague observer will be given a stipend of \$150 per colleague observation, which is based on an analysis of colleague observation reimbursements in various metro districts.
- Colleague observer training will require one day of training. This will require 8 hours of a substitute teacher at a rate of \$30 per hour times the number of colleague observers. In addition, observers will need a half day of release time to perform their evaluations. This will require 4 hours of a substitute teacher at a rate of \$30 per hour.

Model #2 assumes a pared-down teacher evaluation model, that uses a single teacher observation by a full-time teacher evaluator to meet the requirements of HF 945-2E. As a result, teacher evaluation costs are lower, as full-time teacher evaluators are able to evaluate more teachers at less cost. Under this model, data management costs, staff development costs.

Assumptions for inner ring metro, urban core, and outer ring metro teacher evaluation programs using Model #2:

- Program administrator costs, program support costs and data management costs remain the same as in Model #1.
- Large districts will hire full-time teacher evaluators. Each teacher evaluator will be assigned to evaluate 160 teachers. Salary for each teacher evaluator is assumed to be 125% of the average teacher salary, since teacher evaluators will likely be master teachers. Teacher evaluators will also be given reimbursement for travel, since they will be driving throughout the district. This is assumed to be \$300 per teacher evaluator per year.
- The colleague observation will be eliminated, as is not required to meet the benchmark outlined in the bill.

B – Teacher Evaluation Assumptions for Nonmetro Districts and Charter Schools

Under both Models #1 and #2, nonmetro districts and charter schools would use master teachers to provide teacher evaluations. This would require salary augmentation for the master teachers, release time for the master teacher, the cost of a part-time administrator for districts, program support costs, and data management costs. Charter schools will not have an evaluation administrator.

Assumptions for nonmetro districts and charter schools teacher evaluation programs using Model #1:

- The evaluation program would be administered by a part-time evaluation administrator. We estimate the cost of this administrator at the cost of a high school principal in that district, paid at 0.5 time.
- Program support costs are estimated to be \$308 per teacher FTE. These costs would allow for program development and administration and the required annual parent survey.
- Data management to collect, aggregate, and analyze student assessment data will be a large component of this program. We assume 0.9 IT FTE will be required to develop and maintain such a system, at an average cost of 1.1 times the average teacher salary within the district type (the remaining 0.1 FTE will be used to maintain principal-level data).
- Peer evaluators will be master teachers within the district. To serve as an evaluator, teachers will be given \$2,000 per year that they serve as an evaluator. Each evaluator will be expected to evaluate ten continuing contract teachers.
- Each peer evaluator will also require one week away from class to conduct teacher evaluations each year. This estimates substitute teacher costs at \$20/hour for 40 hours.
- Peer evaluators will need to receive training. Training costs are estimated as release time at \$20 per hour for 16 hours of training each year.
- One of three annual teacher evaluations will be conducted by a peer evaluator, most likely located at the same school site as the teacher being evaluated. This peer evaluator will be given a stipend of \$100 per colleague observation. In addition, there will be a peer-evaluation cost of \$80.00 (\$20.00/hour) to pay for a substitute teacher for a half-day of teaching while the peer evaluator is away from the classroom.
- Colleague observer training will require one day of training. This will require 8 hours of a substitute teacher at a rate of \$20 per hour times the number of colleague observers. In addition, observers will need a half day of release time to perform their evaluations. This will require 4 hours of a substitute teacher at a rate of \$20 per hour.

Assumptions for nonmetro districts and charter schools teacher evaluation programs using Model #2:

- Program administrator costs, program support costs and data management costs remain the same as in Model #1.
- Peer evaluators will be master teachers within the district. To serve as an evaluator, teachers will be given \$2,000 per year that they serve as an evaluator. Each evaluator will be expected to evaluate twenty continuing contract teachers.
- Each peer evaluator will also require 2.5 days away from class to conduct teacher evaluations each year. This estimates substitute teacher costs at \$20/hour for 20 hours.
- Peer evaluators will need to receive training. Training costs are estimated as release time at \$20 per hour for 16 hours of training each year.
- The colleague observation will be eliminated, as is not required by the bill.

PART 2. STAFF DEVELOPMENT

HF945-2E specifies that staff development programs must include “job-embedded or integrated professional development opportunities”, and changes allowable staff development expenditures from “curriculum development and programs, in-service education, teachers’ workshops, teacher conferences and the cost of substitute teachers for staff development purposes” to a staff development program that

identifies “instructional strategies to meet students’ learning goals, plan instruction, practice new teaching strategies, and review the results of implementing those strategies.”

As outlined in Table 1, staff development and mentoring is included in the Q Comp program. It is assumed that the majority of districts not participating in Q Comp are not performing as rigorous staff development programs as outlined in HF945-2E even though Minnesota statute requires each district to have a staff development plan. As with the teacher evaluation section above, cost estimates from Q Comp plans were reviewed to estimate the fiscal impact of the staff development language. It is assumed that the Q Comp costs are for activities to enhance a district’s original staff development plan. The primary cost driver for a mentoring/coaching staff development model is release time. This note estimated that teachers’ staff development plan would require them to be out of the classroom for five days per school year. We also estimated that each teacher would be assigned a teacher-mentor as part of the staff development program.

A - Assumptions for inner ring metro and outer ring metro staff development programs:

- Each teacher participates in five days of staff development, requiring a substitute teacher at \$30 per hour for 40 hours times the number of teachers in the district.
- Each teacher has a teacher-mentor. The teacher mentor receives salary augmentation of \$600. Each teacher-mentor is expected to mentor three teachers.
- The teacher-mentor spends two days, or 16 hours, per month outside of the classroom as a mentor. The cost of this release time per mentor is \$30 per hour for a substitute teacher for 16 hours.

B - Assumptions for nonmetro districts and charter schools staff development programs:

- Each teacher participates in five days of staff development, requiring a substitute teacher at \$20 per hour for 40 hours times the number of teachers in the district.
- Each teacher has a teacher-mentor. The teacher mentor receives salary augmentation of \$400. Each teacher-mentor is expected to mentor three teachers.
- The teacher-mentor spends two days, or 16 hours, per month outside of the classroom as a mentor. The cost of this release time per mentor is \$20 per hour for a substitute teacher for 16 hours.

PART 3. PRINCIPAL EVALUATION

As with the teacher evaluation model, we estimated a more cost-intensive model assuming a three-observation evaluation model, and a less cost-intensive model, assuming a one-observation evaluation model. Using Model #1, we assume an 80:1 principal to evaluator ratio, similar to that Anoka-Hennepin would use to implement teacher evaluations. Using Model #2, we assume a 160:1 principal to evaluator ratio, since it will require less staff time to complete a single observation evaluation. Clarification is needed on whether or not assistant principals are included in the principal evaluation system. This note assumes superintendents will annually evaluate the principals and principals will continue to evaluate assistant principals as is current practice.

A - Assumptions for inner ring metro, urban core, and outer ring metro principal evaluation programs:

- Program support costs are estimated to be \$308 per principal FTE. These costs would allow for program development and administration.
- Data management to collect, aggregate, and analyze student assessment data will be a large component of this program. We assume 0.5 IT FTE will be required to develop and maintain such a system, at an average cost of \$62,827 per FTE. This FTE will likely be combined with the teacher evaluation data management staff.
- We estimated the cost of the evaluator at the average superintendent salary. Under Model #1, based on an assumption that a full-time evaluator can evaluate 80 teachers, we used a similar ratio to evaluate the principals in a district. This would require 0.2 FTE to implement. Under Model #2, 0.1 FTE would be required to complete the annual principal evaluations.

B - Assumptions for nonmetro districts and charter schools principal evaluation programs:

- Program support costs are estimated to be \$308 per teacher FTE. These costs would allow for program development and administration.
- Data management to collect, aggregate, and analyze student assessment data will be a large component of this program. We assume 0.1 IT FTE will be required to develop and maintain such a system, at an average cost of 1.1 times the average teacher’s salary in that district per FTE. This FTE will likely be combined with the teacher evaluation data management staff.
- We estimated the cost of the evaluator at the average superintendent salary. Under Model #1, based on an assumption that a full-time evaluator can evaluate 80 teachers, we used a similar ratio to evaluate the principals in a district. This would require 0.1 FTE to implement. Under Model #2, 0.01-0.04 FTE would be required, depending on the size of the nonmetro district.

Bonus Pay

The teacher evaluation and appraisal framework implemented by each district and charter must translate performance measures into effectiveness scores. The effectiveness scores, where 5 is the highest and 1 is the lowest, must be based on the evaluations and student assessment results. Starting in FY 2013 districts and charters must annually use the effectiveness scores and student assessment growth data to identify the teacher’s status designation; ineffective through highly effective. Starting in FY 2019 teachers that received a highly effective status for seven out of ten consecutive years of service would be designated exemplary teachers. These teachers receive a bonus equal to 20% of their base pay. Teachers that receive a highly effective status for three out of five consecutive years would be designated as distinguished teachers and receive a bonus equal to 10% of their base pay.

The cost of the bonus pay is not included in this local impact note. The costs are outside the local impact note horizon.

Basic Formula Increase

HF945-2E adds \$50 on the general education basic formula in FY 2014. The formula is \$5,124 for FY 2012 and FY 2013 and \$5,174 in FY 2014 and later. According to the fiscal note for HF945-2E the state impact of the additional general education aid is \$48.8 million in FY 2014 and \$54.9 million in FY 2015.

Teacher employment changes

HF945-2E makes several changes to teacher employment and tenure statutes. Under the bill, teacher tenure is replaced with five-year renewable teacher contracts. In addition, probationary teacher contracts are amended from three-year contracts to one-year contracts, renewable for three consecutive years. Additional administrative and legal expenditures may be needed to create and renew contracts more frequently.

Additional employment changes include increased flexibility for school districts to release teachers, both probationary and continuing contract, based on performance evaluations or district needs. Districts are given flexibility on allocating teachers to schools based on district and student needs, instead of teacher seniority. This local impact note does not estimate the fiscal impact of these provisions.

Statewide local cost estimate of HF 945-2E for FY 2012 – FY 2015:

HF945-2E outlines specific implementation timelines for the various sections of the bill:

- FY2012
 - Districts and charters develop teacher evaluation framework and data collection system
 - MDE creates a taskforce to develop a model teacher evaluation framework
 - MDE creates a taskforce to develop a model principal evaluation framework
- FY 2013
 - School districts and charter schools implement the teacher evaluation system as a pilot program

- FY 2014 • School districts and charter schools fully implement the teacher evaluation system and principal evaluation system.
- School districts and charter schools fully implement staff development changes
- FY 2015 • Teacher employment changes take effect
- FY 2019 • Teacher bonus pay implemented as outlined in statute

PART 4. ESTIMATED VARIANCE IN LOCAL FISCAL IMPACT

The estimate is for an average district to implement a new evaluation and staff development model above and beyond what the district or charter is currently operating. Many factors will impact the true cost of implementation for a district including the size of the district, the number of teachers and administrators, the current teacher and principal evaluation framework utilized, the current type of staff development utilized, and average salary costs. The statewide impact is net of expenditures that participating Q Comp districts are already making on teacher evaluation and staff development programming. Model #2 uses a teacher and principal evaluation model that is based on a single teacher or principal observation, as required by HF 945-2E. This model is likely to be less costly than that currently required under the Q Comp program.

A - Local Fiscal Impact using Model #2 is estimated to be:

| Local Fiscal Impact* | | | | |
|--|-----------------|-----------------|-----------------|-----------------|
| Net Expenditure/Revenue Change | | | | |
| Dollars in Thousands, State Fiscal Years | | | | |
| | <u>FY 2012</u> | <u>FY 2013</u> | <u>FY 2014</u> | <u>FY 2015</u> |
| Expenditure | 36,213 | 45,910 | 115,088 | 115,088 |
| Revenue | | | 48,921 | 54,896 |
| Statewide Impact | \$36,213 | \$46,315 | \$66,271 | \$60,192 |

Based on conversations with school districts and MDE, it is likely that many districts will implement a more rigorous teacher evaluation model (Model #1) than required in HF945-2E. Because a teacher’s employment and pay will be tied directly to the annual evaluations and student achievement data, a research-based evaluation model such as those utilized in Q Comp programs may serve the districts and charters better. Q Comp programs utilize the three-observation per year model which allows for more feedback and development opportunities, and which is supported by rigorous teacher evaluation research. This framework may be deemed a necessary approach for district and charter administrators when basing employment and pay decisions upon the evaluations.

B - Local Fiscal Impact using Model #1 is estimated to be:

| Local Fiscal Impact | | | | |
|--|-----------------|-----------------|------------------|-----------------|
| Net Expenditure/Revenue Change | | | | |
| Dollars in Thousands, State Fiscal Years | | | | |
| | <u>FY 2012</u> | <u>FY 2013</u> | <u>FY 2014</u> | <u>FY 2015</u> |
| Expenditure | 36,213 | 63,371 | 150,661 | 150,661 |
| Revenue | | | 48,921 | 54,896 |
| Statewide Impact | \$36,213 | \$63,371 | \$101,844 | \$95,765 |

Sources:

Minnesota Department of Education, Data Downloads Division,
http://www.education.state.mn.us/MDE/Data/Data_Downloads/index.html
Kristie Anderson and Steve Dibb, School Improvement Division, Minnesota Department of Education
Michelle Vargas, Chief Financial Official, and Dr. Michelle Langenfeld, Associate Superintendent –
Middle Schools, Anoka-Hennepin School District
Association of Metropolitan School Districts
Minnesota Association of School Administrators
Minnesota Rural Education Association
Schools for Equity in Education

Appendix A

| District Type | Average Teacher FTE | Average Salary | Average Principal Salary | Average Number of Principals | Average Sprintendent Salary |
|-------------------------------|------------------------|-------------------|-----------------------------|---------------------------------|--------------------------------|
| Inner Ring Metro & Urban Core | 638 | 57,116 | 114,379 | 15 | 168,018 |
| Outer ring Metro | 448 | 56,216 | 118,493 | 9 | 158,299 |
| Nonmetro<2K | 50 | 46,382 | 82,422 | 2 | 100,908 |
| Nonmetro>2K | 259 | 51,294 | 103,030 | 6 | 133,861 |
| Charter | 17 | 39,072 | 72,184 | 1 | - |

| Timeline for implementation | | |
|-----------------------------|---|--|
| Fiscal Year | HF945-2E Requirements | Estimates Included |
| FY 2012 | Develop framework and data collection system | Administration costs |
| FY 2013 | Implement teacher evaluation system as a pilot program | Administration and teacher evaluation costs |
| FY 2014 | Fully implement teacher and principal evaluations + staff dev | Administration, teacher and principal evaluation and staff development costs |
| FY 2015 | Fully implement teacher and principal evaluations + staff dev | Administration, teacher and principal evaluation and staff development costs |

| Model #1: Qcomp Evaluation Model | | | | |
|----------------------------------|-------------------|-------------------|--------------------|--------------------|
| | <u>FY 2012</u> | <u>FY 2013</u> | <u>FY 2014</u> | <u>FY 2015</u> |
| Total Cost, All districts | 49,505,599 | 95,459,378 | 223,221,300 | 223,221,300 |
| Current Q Comp costs | 13,292,585 | 32,088,103 | 72,559,976 | 72,559,976 |
| New costs net of Q Comp | 36,213,014 | 63,371,276 | 150,661,324 | 150,661,324 |
| New Revenue (Gen Ed Formula) | - | - | 48,817,000 | 54,896,000 |
| Net new Costs | 36,213,014 | 63,371,276 | 101,844,324 | 95,765,324 |

| Model #2: One Evaluation Model | | | | |
|--------------------------------|-------------------|-------------------|--------------------|--------------------|
| | <u>FY 2012</u> | <u>FY 2013</u> | <u>FY 2014</u> | <u>FY 2015</u> |
| Total Cost, All districts | 49,505,599 | 66,704,186 | 175,467,372 | 175,467,372 |
| Current Q Comp costs | 13,292,585 | 20,794,436 | 60,379,643 | 60,379,643 |
| New costs net of Q Comp | 36,213,014 | 45,909,750 | 115,087,729 | 115,087,729 |
| New Revenue (Gen Ed Formula) | - | - | 48,817,000 | 54,896,000 |
| Net new Costs | 36,213,014 | 45,909,750 | 66,270,729 | 60,191,729 |

Appendix B

Q Comp Applications Sampled by Category

| District Category | School Districts Sampled |
|-------------------------------|--|
| Inner Ring Metro & Urban Core | Edina, Hopkins, St. Anthony-New Brighton |
| Outer ring Metro | Rosemount-Apple Valley, Anoka-Hennepin, Spring Lake Park |
| Nonmetro<2K | Brainerd, North Branch |
| Nonmetro>2K | Minneota, Lakeview |
| Charter | ECHO, ARTech, Sojourner Truth |