



RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
STATE BUDGET OFFICE
LANSING

JOHN S. ROBERTS
DIRECTOR

December 28, 2015

Brian J. Whiston, State Superintendent
Department of Education
608 W. Allegan Street
P.O. Box 30008
Lansing, Michigan 48909

Dear Mr. Whiston:

The Educator Evaluation Reserve Fund was created in Section 95a of the State Aid Act for 2014-2015 and appropriated a total of \$14.8 million to implement evaluation systems. A work project was established at the end of FY2015 to carryforward the funds and spending authority. In addition, \$2.5 million was appropriated in fiscal year 2016 in the Michigan Department of Education (MDE) budget for the purpose of educator evaluations and assessments. Section 95a of the State Aid Act requires the State Budget Office to approve the department's spending plan. Subsequently, the Legislature adopted PA 173 of 2015, establishing the state's educator evaluation system.

The purpose of this letter is to acknowledge the State Budget Office's approval of the MDE spending plans related to educator evaluations as summarized below.

EDUCATOR EVALUATION RESERVE FUND SPENDING PLAN (\$14.8 million in School Aid Act):

Training activities: The Department is proposing to distribute \$12.1 million to districts (including public school academies) through per pupil formula grants to intermediate school districts. In addition, the department is proposing to spend \$1.8 million to fund 10 positions, one within each MAISA (ISD) region, to allow each ISD region to hire a specialist to oversee education evaluation training efforts.

At a minimum, the Department would provide the following guidance to the ISDs as part of the formula grant process:

- Require each ISD to develop a service agreement agreed to by all of its constituent districts that establishes the training that will be provided as required by MCLs 380.1249(2)(m-n) and 380.1249b(1)(k-l).

- As part of the development of a regional service agreement, require each ISD to survey its constituent districts to determine which evaluation tools are being used.
- Encourage ISDs to partner with other ISDs to offer training options for the most widely-used evaluation tools.
- Require training programs to be provided by an individual with expertise in the evaluation tool, which may include either a consultant on the evaluation tool or an individual trained to train others, as required by PA 173 of 2015.
- Require ISDs to verify that districts have posted all of the information about evaluation tools for teachers and school administrators on its website as required by MCLs 380.1249(3) and 380.1249b(2), including a description of the training plan for evaluators and observers, prior to ISDs distributing training funds. For the evaluation models that were recommended by the Michigan Council on Educator Effectiveness and are to be included on a department-established list of evaluation tools, the Department will be developing a model template for districts that choose to use those models to upload to district websites.

Research Activities: The Department's proposal for the use of the Educator Evaluation Reserve Fund also includes using \$900,000 of the \$14.8 Million (combined with \$1 million one-time funding in the MDE budget) to contract for research and evaluation activities that identify both best practices and barriers in educator evaluation implementation, and to pilot and evaluate the measurement of student growth using alternative methods specified in PA 173 of 2015.

MDE BUDGET FOR EDUCATOR EVALUATIONS SPENDING PLAN (\$2.5 million)

As noted above, \$1 million of one-time funding would be set aside for contractual research and evaluation. The Department is recommending that the remaining \$1.5 million be used to hire 10.0 FTE permanent staff, all of which would be housed in the newly created Office of Educator Talent and Policy Coordination.

In general, functions to be performed within the Office would include providing guidance, resources and tools to assist districts in complying with the legal requirements of Michigan's educator evaluation system and coordinating ISD-based educator evaluation training. Some staff would provide specialized assistance related to evaluations of teachers of students with disabilities, English language learners and young children. Other staff expertise would be focused on student growth measurements; student growth percentiles

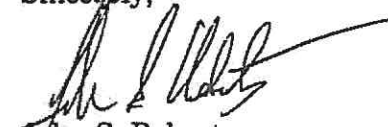
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for use with state assessments, as well as using student learning objectives and other alternative measures as a tool for student growth measurement. Ultimately, MDE would develop a process and tools that guide districts in combining various student growth measures to determine overall evaluation outcomes. And finally, MDE proposes working with educator preparation institutions to develop appropriate curriculum and coursework to ensure educators entering the workforce have the knowledge and skills to participate in the evaluation process.

MDE's proposal for the distribution and use of the Educator Evaluation Reserve Fund for training purposes appears consistent with the requirements of PA 173 of 2015. The additional proposed uses of the Educator Evaluation Reserve Fund related to contractual research and evaluation activities appears consistent with the requirements of Section 95a of the State School Aid Act. Therefore, as required by Section 95a of the State School Aid Act, the State Budget Office approves the Department's proposed spending plans.

If you have any questions, please contact Robbie Jameson, Director, Office of Education, State Budget Office at 373-8883.

Sincerely,



John S. Roberts
State Budget Director

c: State Budget Office, Office of Education