

REPORT TO THE  
UTAH LEGISLATURE

Number 2007-06

**A Limited Review  
of  
HB 382 - Educational Salary Adjustments**

May 2007

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## Digest of A Limited Review of HB 382 - Educational Salary Adjustments

**The legislative intent of HB 382 was to provide eligible educators with a \$2,500 salary adjustment and a \$1,000 bonus.**

**HB 382 Will Not Accomplish the Legislature's Intent.** House Bill 382 will not fulfill the reported legislative intent to provide public educators with a \$2,500 annual pay increase and a \$1,000 one-time bonus. As the bill currently stands, between \$7.2 and \$19.9 million in additional ongoing funds would be needed for the salary adjustment. This range reflects the as yet unknown portion of the salary adjustment addressed by \$12.7 million of fiscal year 2008 Minimum School Program (MSP) funds dedicated to employee benefits that are associated with the 4 percent Weighted Pupil Unit (WPU) increase. An additional \$2.4 million in one-time funds will also be needed for the intended bonus. The level of additional funding necessary can be reduced by either of the following legislative options.

The Legislature may wish to consider removing some non-teaching positions from the position classifications listed in the bill. Figures 5 through 6 of this review identify the total amount that could be reduced for each position classification. For example, the 1,252 school administrators (generally considered a non-teaching position) listed in the bill would cost about \$3.9 million ongoing and about \$1.6 million one-time to fund. Also, the Legislature may wish to consider funding a portion of the bill's needs with offsets from other appropriations. The Office of the Legislative Fiscal Analyst has identified about \$14.1 million of one-time funding in the Minimum School Program carryforward.

Both errors in calculations supporting HB 382 and misunderstandings between all parties involved have prevented the bill from accomplishing its intended results. These problems include:

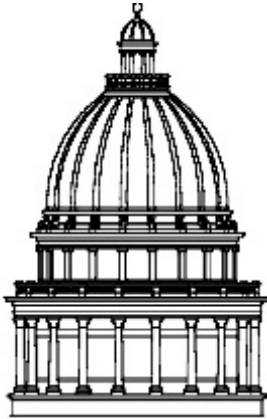
- USOE miscalculated the number of employees in several classifications; as a result, the number of reported employees was short approximately 2,200 FTEs, which is about 7.7 percent of the total FTE count. Specifically, about 2,900 special education teachers, educators from the Schools for the Deaf and Blind, and part-time educators were not counted. However, this number is offset by about 700 FTEs which were overcounted from various

other classifications, resulting in the final undercount (2,200 FTEs) mentioned above.

- Misunderstandings and miscalculations resulted in an appropriation much lower than what was needed to provide each educator with the \$2,500 annual salary adjustment, the amount intended by the Legislature. Calculations used to determine the ongoing salary adjustment were based on a \$2,000 per educator gross salary adjustment rather than the \$2,500 anticipated by most legislators. In addition, four employee classifications (guidance counselors, audiologists, psychologists, and social workers) were added to the bill's third substitute but were never included in the final appropriation.
- Miscalculation of employer-paid benefits resulted in a 32 percent (\$156 per educator) overstatement of funding needed for employer-paid benefits. The original calculation of these benefits was based on the assumption that they were 24 percent of total funding needs, not the appropriate 24 percent of salary.

**Legislative Action Needed to Fulfill Intent of HB 382.** If no action is taken, each eligible FTE educator will receive an average annual adjustment of \$1,938 and a one-time bonus of \$931 instead of the intended \$2,500 adjustment and \$1,000 bonus. The Legislature may want to consider amending the bill by reducing the number of eligible employee classifications, and/or consider a supplemental appropriation or consider offset funding available from other appropriations to adequately fund the legislative intent. This review contains different funding scenarios, broken down by educator classifications, for the Legislature to consider if they wish to reduce the number of classifications eligible under the enacted bill.

**Currently, HB 382 only provides eligible educators with a \$1,938 salary adjustment and a \$931 bonus.**



Office of  
LEGISLATIVE AUDITOR GENERAL  
State of Utah

**REPORT NUMBER 2007-06**  
**May 2007**

## **A Limited Review of HB 382 - Educational Salary Adjustments**

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**The legislative intent of HB 382 was to provide educators with an annual salary adjustment of \$2,500 and a bonus of \$1,000.**

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House Bill 382 will not fulfill the reported intent of the Legislature to provide public educators with a \$2,500 annual pay increase and a \$1,000 one-time bonus. As the bill currently stands, between \$7.2 and \$19.9 million in additional ongoing funds would be needed for the intended salary adjustment. This range reflects the as yet unknown portion of the salary adjustment addressed by \$12.7 million of Minimum School Program (MSP) funds dedicated to employee benefits and associated with the 4 percent Weighted Pupil Unit (WPU) increase. An additional one-time amount of \$2.4 million would be needed to give educators the intended bonus.

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**To fulfill the legislative intent of HB 382, between \$7.2 and \$19.9 million in ongoing funds and \$2.4 million in one-time funds are needed.**

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This additional funding could be reduced without affecting the bill's intent, should the Legislature decide to revisit the employee classifications included in the enacted bill or address the deficits with other possible funding offsets. The amount of additional money needed to fulfill the bill's intent is not the result of a single mistake or a single individual; it is the result of multiple errors occurring throughout the process and miscommunications between all parties involved.

The Office of the Legislative Auditor General was asked to review HB 382 from the 2007 Legislative General Session, which appropriated an ongoing amount of \$68.7 million for educator salary adjustments, one-time funds of \$33 million for educator bonuses, and \$7 million for classified personnel bonuses. This review focuses on the intent of the bill and the appropriations earmarked for educators, not the \$7 million appropriated for classified personnel. Specifically, our office was asked to review:

- participant classifications and counts used for the calculation from the time of the bill's initiation to the present date, and
- the calculation process used to determine the appropriation necessary to fulfill the bill's desired results.

### **HB 382 Will Not Accomplish The Legislature's Intent**

The Legislature made it clear through legislative meetings and press releases that the intent of this bill and subsequent appropriations was to provide teachers with a \$2,500 salary adjustment and a \$1,000 bonus. While this intent was verbally communicated, the bill does not state the amounts intended to go to individual educators. The bill simply appropriates the money to the State Board of Education for educator salary adjustments and educator bonuses, and it is silent on amounts intended to go to individuals. As it stands, HB 382 has four primary problems in the calculations used to determine the appropriated amounts:

- USOE miscalculations in employee classification counts resulted in an under-reporting error of approximately 2,200 FTEs, which is 7.7 percent of the total FTE count. Specifically, over 2,900 special education teachers, educators from the Schools for the Deaf and Blind, and part-time educators were not counted, while miscounts in other classifications resulted in an overcounting of about 700 FTEs.
- Due to misunderstandings and miscalculations, the appropriated amount failed to adequately fund the \$2,500 value commonly accepted as the bill's intent as well as all employee classifications included in the bill. Calculations used to determine the ongoing

salary adjustment were based on a \$2,000 employee gross salary adjustment and not the \$2,500 amount believed by most legislators. In addition, four employee classifications were added to the bill but not adequately funded during the substitution process (guidance counselors, audiologists, psychologists, and social workers).

- Miscalculation of employer-paid benefits resulted in a 32 percent (\$156 per educator) overstatement of funding needed for employer-paid benefits. The original calculation of these benefits was based on the assumption that they were 24 percent of total funding needs, not the appropriate 24 percent of salary.

### **Appropriation Amount Will Not Accomplish Legislative Intent**

When first introduced, HB 382 called for an ongoing appropriation of \$68,989,335 to adjust educator annual salaries, and a one-time appropriation of \$34,494,667 to provide a bonus to all educators eligible for a salary adjustment. Subsequent substitutes to the bill altered its content, and the bill passed both the House of Representatives and the Senate on its third substitute.

The substitution process added four classifications of employees to the original bill (guidance counselors, audiologists, psychologists, and social workers), but did not adequately fund all of the classifications. The enacted bill appropriated \$68.7 million in ongoing funding for salary adjustments and a one-time appropriation of \$33 million for educator bonuses. Figure 1 lists the job classifications that are eligible for a salary adjustment and a bonus.

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A number of job classifications were included in HB 382.

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**Figure 1. Eligible Job Classifications as Described and Included in HB 382.** As enacted, HB 382 appropriates monies to the State Board of Education for purposes of educator salary adjustments and educator bonuses.

The bill defines educator as:

As used in this section, “educator” means a person employed by a school district, charter school, or the Utah Schools for the Deaf and Blind who holds: (a) a license issued under Title 53A, Chapter 6, Educator Licensing and Professional Practices Act; and (b) a position as a:

- (i) classroom teacher;
- (ii) speech pathologist;
- (iii) librarian or media specialist;
- (iv) preschool teacher;
- (v) school administrator;
- (vi) mentor teacher;
- (vii) teacher specialist or teacher leader;
- (viii) guidance counselor;
- (ix) audiologist;
- (x) psychologist; or
- (xi) social worker.

Figure 2 lists the educator classifications included in the bill and the number of current FTEs for each classification. A 3 percent growth factor was added to account for new educators hired in the coming year. The USOE determined the growth factor in concurrence with the bill’s sponsor. This 3 percent was always calculated into the bill’s appropriation because the bill provides for educator salary adjustments to new hires. The bill also requires bonuses to be distributed by the State Board of Education and awarded to educators in the same manner as money appropriated for educator salary adjustments.

**Figure 2. FTE Educators Eligible for a Salary Adjustment and a Bonus in Accordance with HB 382.** The FTE count is current as of May 1, 2007. The 3 percent growth factor accounts for additional educators that will be hired during fiscal year 2008.

Classification	FTE Count	FTE Count Inclusive of 3% Growth Factor
Kindergarten Teacher*	1,075	1,108
Elementary Teacher*	10,070	10,371
Secondary Teacher*	9,292	9,571
Special Education*	2,558	2,635
Classroom Support*	696	717
Speech Pathologist	494	509
Librarian & Media Specialist	274	282
Preschool Teacher	247	255
School Administrator	1,215	1,252
Mentor Teacher	32	33
Teacher Specialist or Teacher Leader	679	700
Guidance Counselor	732	754
Audiologist	21	22
Psychologist	219	226
Social Worker	89	92
<b>Total(s)</b>	<b>27,693</b>	<b>28,527</b>

*Note: FTE numbers for each classification are rounded to the nearest full FTE.*

*\* Kindergarten, elementary, secondary, special education, and classroom support are all considered classroom teachers in accordance with HB 382. Qualified interns are included in the counts in the applicable areas. While qualified interns are not specifically mentioned in HB 382, they do meet the requirements for a salary adjustment and bonus under the bill's enacted language. There are 315 FTE interns included in the above counts.*

When the 3 percent growth factor is figured in, the Legislature has currently appropriated enough money to provide each FTE educator for fiscal year 2008 an ongoing “employer gross” compensation adjustment of



\$2,408 and a one-time “employer gross” bonus of \$1,157. “Employer gross” is the compensation level before any employer deductions. “Employee gross” defines compensation level after employer deductions but before employee deductions.

Controlling for employer deductions, the amount that each FTE educator receives drops considerably. Listed below are the current employer deduction rates as calculated by the USOE:

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**The USOE calculated the employer deductions at 24.24 percent, but do not account for unemployment compensation and OPEB.**

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Retirement	15.73 percent
Workers’ Comp	0.86
Social Security	6.20
Medicare	<u>1.45</u>
<b>Total</b>	<b>24.24 percent</b>

When the USOE calculated the 24.24 percent, it did not account for unemployment compensation, which is 0.1 percent for the state of Utah. Additionally, the USOE does not fund for other post-employment benefits (OPEB) for individual school districts. This could change in the future; for the USOE, these pools currently add 6.9 percent to employer-paid benefits. To clarify, the 6.9 percent for OPEB and the 0.1 percent for unemployment compensation are not included in any of the calculations determining the appropriations for salary adjustments and bonuses, but would decrease the amount of “employee gross” if they were included.

After employer deductions are subtracted, each FTE would receive a \$1,938 salary adjustment and a \$931 one-time bonus. These dollar figures represent the gross amount of money each FTE educator would see on their paychecks. Figure 3 shows this information.

**Figure 3. HB 382 Does Not Appropriate Enough Money to Meet Legislative Intent.** HB 382 appropriates enough money to provide every eligible FTE an employee annual gross salary adjustment of \$1,938 and an employee gross bonus of \$931.

Number of Educators	Employer Gross per Educator	Less Employer Deductions (24.24%)	Employee Gross	Amount Appropriated
28,527	\$ 2,408	\$ 470	\$ 1,938	\$ 68.7 million ongoing
28,527	1,157	226	931	33.0 million one-time

The intent of the Legislature when they passed HB 382 was to provide each FTE an annual gross salary adjustment of \$2,500 and a one-time gross bonus of \$1,000. Current ongoing appropriations provide \$562 less per FTE than intended, and the one-time bonus provides \$69 less than intended. These miscalculations stem from inaccurate information inadvertently provided by the USOE as well as misunderstandings about the pay components and employee classifications used for determining the appropriated amounts.

**Reported Educator Counts Need to Be Adjusted**

USOE was charged with the assignment of preparing the counts of qualified educators for HB 382. The counts they provided to the Legislature inadvertently did not include 2,558 special education educators. This oversight resulted in an under-reporting error of 2,635, or 9.2 percent of the FTE educators when you account for the 3 percent growth factor.

Representatives from the USOE originally reported to Executive Appropriations in April that the differences in numbers from January to April were a result of districts cleaning up their numbers and more accurately reporting. This raised legislative concern that school districts might be trying to inflate their numbers to get more funding. School districts **did not** inflate their numbers. The difference was clearly a result of the special education educators inadvertently being dropped from the count, as well as other reporting errors.

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**USOE failed to account for 2,635 FTE special education educators.**

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To derive the educator count, the USOE relied on the Computer Aided Credentials of Teachers in Utah Schools (CACTUS) system. We reviewed the CACTUS numbers that the USOE submitted in January, with the inclusion of the special education educators that were mistakenly dropped, and compared them with more recent numbers. On January 18, 2007, the CACTUS FTE count was 28,090; on May 1, 2007, the count was 27,694. The difference in the two FTE counts taken over three months apart was 396 fewer FTEs. The reasons for these discrepancies are:

- The January count included 799 interns, which was a total employee count; the May numbers only include 315 interns, which is an FTE count. Therefore, the January count inadvertently included 484 additional FTEs.
- Eligible educators that are counted in CACTUS as less than 0.5 of an FTE were accidentally not included in the January count. This error resulted in 204 FTEs not being counted in January but being counted in May.
- 282 student advisors were mistakenly included in the January count and properly excluded from the May count.
- 129 eligible educators from the Utah Schools for the Deaf and Blind were mistakenly excluded from the January count and properly included in the May count.

When these discrepancies are properly accounted for, the difference between the January and the May CACTUS numbers is 38 additional FTEs, or 0.14 percent.

We reviewed three years of the USOE's annual reports and were able to verify that the most recent FTE counts of licensed educators were in the same range. We also sampled districts and one charter school to compare their current payroll with what was most recently reported in CACTUS and found that, in aggregate for each school or school district, the variance was less than one percent. Figure 4 shows the variance we found at the following school districts and charter school between CACTUS and payroll.

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**After accounting for special education educators and other discrepancies, CACTUS counts between January and May are very similar.**

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**Figure 4. Our Review of Current Payroll Reports Compared Favorably with Recent CACTUS Reports.** Sampled school districts and charter schools had a variance of less than one percent when CACTUS numbers were compared with payroll reports.

School District/ Charter School	CACTUS Report	Payroll Report	Variances
Jordan School District	3,852.2	3,869.2	.44%
Murray School District	341.7	343.8	.61
Nebo School District	1,330.9	1,341.4	.79
Davis School District	3,238.9	3,237.3	.05
Tooele School District	649.8	653.3	.54
American Leadership Academy	51.5	52.0	.97

**Misunderstandings Occurred Regarding Employee Pay Components and Classifications**

It is clear that there never was an understanding by all parties involved of HB 382's costs or the educator classifications it included. While the intent was to increase educator salaries by \$2,500, legislative cost discussions often used the lower values of a \$2,000 salary increase. Additionally, some legislators believed from pre-bill release discussions and post-bill floor debates that the bill addressed raises for only classroom teachers, while the bill actually included a larger number of employee classifications that generally do not teach in the classroom.

**Misunderstandings Exist Related to the Amount Each Educator Was Intended to Receive.** The misunderstanding that occurred in this process was whether or not the employer deductions (which are not seen on an employee's paycheck) were to be considered part of the employee salary adjustment. The legislative intent of HB 382 was to provide qualified educators with a \$2,500 "employee gross" salary adjustment. The analysis that determined the appropriated amount was based on a \$2,000 "employee gross" salary adjustment.

Further misunderstandings ensued when legislative floor discussions inaccurately identified the \$2,640 figure as \$2,500 per educator plus an additional \$140 in employer costs. In fact, some legislative discussions of

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The analysis used to determine the appropriation for salary adjustments was based on a \$2,000 employee gross and not a \$2,500 employee gross.

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the bill's cost used the \$2,000 and \$2,500 salary adjustment and related employer costs interchangeably.

**Misunderstandings Exist as to Which Educator Classifications Were to Be Included.** The addition of more classifications further taxes the appropriation's ability to completely meet the bill's funding needs. The analysis (not knowing that special education and other educators were excluded at the time and of the errors and misunderstandings in the pay components) called for an ongoing appropriation of \$69,826,822 and a one-time appropriation of \$34,913,411; this was to include the four classifications that were added to HB 382. The actual ongoing appropriation did not adequately fund all of the classifications and was \$68.7 million. The actual one-time appropriation also did not fully fund all of the classifications and was \$33 million.

These problems regarding the errors and misunderstandings of the pay components and educator classifications could have been addressed early in the process if:

- The legislative intent of HB 382 was stated more clearly in the bill's language.
- The fiscal note attached to the bill would have more clearly stated what HB 382 would accomplish in conjunction with the appropriated amounts.

### **Errors Exist Regarding Calculations for Employer-Paid Benefits**

The calculations used to determine the appropriations in HB 382 inappropriately applied the employer-paid benefit multiplier and overstated the amount needed for employer-paid benefits. The USOE determined that 24.24 percent of "employee gross" represents the value needed to address employer deductions for retirement, workers' compensation, Social Security, and Medicare (as previously mentioned). By applying the 24.24 percent to the "employer gross" rather than the "employee gross" salary, they have overstated the costs of the employer-paid benefits by 32 percent.

The calculation that was used to determine the ongoing appropriation amount of \$68.7 million was based on \$2,640 per educator FTE. This

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**Employee classifications were added to the bill, but the appropriated amount does not cover them.**

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**The calculation used for the salary adjustments and the bonus inappropriately applied the employer-paid benefit multiplier and overstated the amount needed for employer-paid benefits.**

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amount was used because \$640 is 24.24 percent of \$2,640, resulting in an “employee gross” of \$2,000. While the analysis figured employer-paid benefits to cost \$640 per FTE, the actual cost of employer-paid benefits is \$485 per FTE working under the assumption of a \$2,000 “employee gross” salary adjustment. So the employer-paid benefits were overstated by \$155 per FTE.

The analysis used to determine the one-time bonus appropriation of \$33 million was based on \$1,320 per FTE educator. This amount was used because \$320 is 24.24 percent of \$1,320, resulting in the employee grossing \$1,000. While the analysis figured employer-paid benefits to cost \$320 per FTE, the actual cost of employer-paid benefits is \$242 per FTE. So the employer-paid benefits were overstated by \$78 per FTE.

### **Legislative Action Needed To Fulfill Intent of HB 382**

Because monies appropriated will not accomplish the legislative intent of HB 382, the Legislature may want to consider amending the bill by reducing the number of classifications eligible for a salary adjustment and a bonus, and/or consider a supplemental appropriation or offset funding available from other appropriations to adequately fund the legislative intent. According to the Legislative Fiscal Analyst, funding offsets are available. For example, an as yet unknown portion of the bill’s cost can be addressed with Social Security and retirement funds appropriated in the MSP. As previously mentioned, if no action is taken, each eligible FTE educator will only receive an annual adjustment of \$1,938 and a one-time bonus of \$931 instead of the intended \$2,500 adjustment and \$1,000 bonus.

### **Number of Classifications Could Be Reduced**

If the Legislature wishes to remove some non-teaching positions from the bill, they could identify these positions and their associated costs using the classification definitions in the appendix and the values for the classifications in Figures 5 through 6. As an example, if the Legislature decided to remove school administrators from the bill, Figure 5 identifies that eliminating the \$2,500 additional salary for 1,252 administrators would reduce the annual cost of the bill by about \$3.9 million. Figure 6 identifies that eliminating the one-time bonus for school administrators

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**In order to fulfill the legislative intent of HB 382, the Legislature could consider reducing classifications and/or consider a supplemental appropriation or funding offsets.**

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would reduce the cost by about \$1.6 million. A similar analysis could be made for any position classification the Legislature chooses.

### **Funding Offsets Are Available**

The Office of the Legislative Fiscal Analyst has identified that \$12.7 million of fiscal year 2008 MSP funds are directed toward Social Security and retirement, employer-paid benefit costs. These funds increased in association with the 4 percent WPU inflation adjustment. A portion of this funding is available to address some of the \$606 per employee, employer-paid benefits associated with HB 382. According to the Fiscal Analyst, the actual amount of MSP contribution toward the cost of the bill cannot be determined until the Fiscal Analyst has better district salary information.

The remaining shortfall can be addressed by some other possible funding offsets. One-time funding is available, should the Legislature decide to use it, in the form of \$14.1 million of Minimum School Program carryforward. This funding source could be used to address the one-time need for the bonus as well as partial coverage of the ongoing salary increase. In using this source for ongoing needs, it would be necessary to revisit the bill's needs in the 2008 Legislative Session to address funding for the remainder of fiscal year 2008.

### **Non-Satisfactory Evaluations Have Not Been Addressed**

HB 382 also requires eligible educators to receive a satisfactory rating or higher on their most recent evaluation to be eligible for the salary adjustment and bonus. Figures 5 through 6 work off of the assumption that every eligible educator received a satisfactory rating or above on their most recent evaluation. In her testimony to Executive Appropriations in April, the State Superintendent stated that in her experience as an administrator, an average of 3 to 5 percent of educators receive less than a satisfactory rating in any given year. Calculating for any educators receiving less than a satisfactory rating was never factored into any of the bill's costs, nor does it appear that its inclusion was ever intended.

Figure 5 shows the amount of money needed to adequately fund educators' salary adjustments at \$2,500 employee gross for fiscal year 2008 (inclusive of all eligible classifications).

**Figure 5. Adjustment Needed for a \$2,500 Gross Salary Increase.** \$7.2 million to \$19.9 million of additional ongoing funds are needed. The value is dependent on the portion of MSP funds applied.

Dependent on the portion of MSP funds applied, the Legislature will need to provide between \$7.2 and \$19.9 million ongoing to give all eligible educators a \$2,500 annual salary adjustment.

Classification	FTE Count Inclusive of 3% Growth Factor	Costs Based on \$2,500 Educator Gross*
Kindergarten Teacher	1,108	\$ 3,441,448
Elementary Teacher	10,371	32,212,326
Secondary Teacher	9,571	29,727,526
Special Education	2,635	8,184,310
Classroom Support	717	2,227,002
Speech Pathologist	509	1,580,954
Librarian & Media Specialist	282	875,892
Preschool Teacher	255	792,030
School Administrator	1,252	3,888,712
Mentor Teacher	33	102,498
Teacher Specialist or Teacher Leader	700	2,174,200
Guidance Counselor	754	2,341,924
Audiologist	22	68,332
Psychologist	226	701,956
Social Worker	92	285,752
<b>TOTAL(S)</b>	<b>28,527</b>	<b>\$ 88,604,862</b>
<b>Current Appropriation</b>		<b>\$ 68,700,000</b>
<b>Difference</b>		<b><u>\$ 19,904,862</u></b>

There are 315 FTE interns included in the above counts. The associated costs for the 315 FTE interns is \$978,400.

\* Values in this column reflect a \$3,106 cost for employee salary and employer-paid benefits.



Figure 6 shows the amount of money needed for fiscal year 2008 to fund educator bonuses of \$1,000 per employee for all classifications.

**Figure 6. Amount Needed to Provide Educators with a Bonus of \$1,000 Employee Gross.** The Legislature would need to appropriate an additional \$2.4 million one time in order to fund eligible educators at a \$1,000 gross bonus.

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**The Legislature would need to provide an additional \$2.4 million in one-time funds to give all eligible educators a \$1,000 bonus.**

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<b>Classification</b>	<b>FTE Count Inclusive of 3% Growth Factor</b>	<b>Costs Based on \$1,000 Educator Gross Bonus*</b>
Kindergarten Teacher	1,108	\$ 1,376,579
Elementary Teacher	10,371	12,884,930
Secondary Teacher	9,571	11,891,010
Special Education	2,635	3,273,724
Classroom Support	717	890,801
Speech Pathologist	509	632,382
Librarian & Media Specialist	282	350,357
Preschool Teacher	255	316,812
School Administrator	1,252	1,555,485
Mentor Teacher	33	40,999
Teacher Specialist or Teacher Leader	700	869,680
Guidance Counselor	754	936,770
Audiologist	22	27,333
Psychologist	226	280,782
Social Worker	92	114,301
<b>TOTAL(S)</b>	<b>28,527</b>	<b>35,441,945</b>
<b>Current Appropriation</b>		<b>\$ 33,000,000</b>
<b>Difference</b>		<b><u>\$ 2,441,945</u></b>

*There are 315 FTE interns included in the above counts. The associated costs for the 315 FTE interns is \$391,200.*

*\* Values in this column reflect a \$1,242 cost for employee salary and employer-paid benefits.*

## Recommendations

1. We recommend that the Legislature revisit HB 382 to determine the adjustment desired, the reassessment of included educator classifications, and the possible use of funding offsets.
2. We recommend that the Legislature discuss with the Office of Legislative Research and General Counsel the merits of including legislative intent in bills.
3. We recommend Legislative Leadership direct that in the future, even in cases of stated appropriated amounts, the Office of the Legislative Fiscal Analyst identify a bill's ability to accomplish its objective.

## **Appendix**

The conversations between the Utah State Office of Education and the legislative legal team were conducted by Dr. Ray Timothy, deputy for education, with Connie Steffen and Dee Larsen. In their discussions, they agreed upon three criteria by which to determine whether or not an educator would be eligible for the educator salary adjustment:

1. Does the position require an educator license?
2. Does the position require daily face-to-face instruction in classrooms, small groups, or one-on-one?
3. Is the most recent evaluation of the educator candidate a satisfactory one?

**With this in mind, the USOE only recommended the following to receive the educator salary adjustment, assuming a satisfactory evaluation:**

### **Classroom Teachers:**

Includes teachers who carry a full or part-day classroom in the “regular education” setting, including grades K-12. This includes teachers in Title I schools or settings. Fractional amounts should be given for part-day classroom assignments.

### **Special Education:**

Includes teachers who are working with students with disabilities in either a resource setting (pulling children who have mild to moderate disabilities from “regular” classes to work on specific skills) or self-contained setting (teaching an assigned class for all or part of the day to students who are assigned to that teacher due to the severity of their disability). Both types of teachers are working with children each day and also have significant paperwork and assessment responsibilities per federal law (Individuals with Disabilities Education Act [IDEA]).

### **Mentor Teachers:**

These are licensed teachers who are assigned as building mentors to help new (including interns) and poorly functioning teachers to succeed. They are in classrooms daily, working with entry-level teachers, presenting model lessons, and ensuring teaming and induction. Mentor teachers often specialize in literacy or math coaching. They are always among the most successful teachers in education.

**Teacher Specialists/Leaders:**

These are mentor teachers, called by a different name.

**Interns:**

These are “near graduation” teachers who have a full class assignment all day with children, just as does the regular classroom teacher. They are fully licensed per state law, even though it is called a temporary license. They are always under the direct and daily supervision of a mentor teacher. Typically, an intern assignment is for a full year and takes the place of student teaching. Interns are occasionally paid a full salary, but most are on partial salary, generally half salary. Interns typically receive full benefits during the intern year. Successful interns are often the “first hired” for the following year, thus benefiting both the intern and the school seeking fine candidates. Interns, by name, **were not included in the language of HB 382** but could easily be considered classroom teachers.

**Guidance Counselors:**

These are licensed teachers who are regularly in classrooms (expected in classrooms 80 percent of the time) to provide career guidance instruction, and who also work in small groups and one-on-one with students and their parents as they determine class schedules, review credit and course/core requirements, and assist in planning for the future through SEOPs and admissions/college criteria/NCAA discussions. Counselors also play a large role in counseling troubled students and in liaison work with courts and social services. They often are asked to become involved in resolution of major or persistent behavior disputes and tracking/counseling students in their attendance and behavior.

**Speech Language Pathologists:**

These are licensed teachers, usually with a master’s degree, who work in small groups and one-on-one to help students acquire language skills and remedy speech impediments. Services from speech pathologists are required under IDEA, if the child’s disability demands such help.

**Audiologists:**

Like the speech language pathologist, these are licensed teachers, usually with a master’s degree in audiology, who work in small groups and one-on-one to help students who are deaf or hard of hearing. Their work often includes frequent assessment and assistance as students acquire hearing devices and services from the Utah School for the Deaf and Blind

or receive services from USDB. Services from audiologists are required under IDEA, if the child's disability demands such help.

**Psychologists:**

Like the speech language pathologist, these are licensed teachers, but usually master's degree psychology graduates, who work in small groups and one-on-one to help students who are behaviorally disordered or who have some type of mental or behavioral challenge. Their work often includes frequent assessment and direct assistance to students and their parents. Services from psychologists are required under IDEA, if the child's disability demands such help.

**Preschool Teachers:**

In some schools, licensed teachers are conducting local preschools on site at high schools as part of the Career and Technology Family and Consumer Science career pathway for child care and early childhood instruction. These teachers typically serve two half-day sessions of preschool children but may also be half-day teachers.

**Classroom Support:**

Classroom support assignments are included in the categories because they include such assignments as English as a second language, special needs teachers, and teachers of homebound and hospitalized among others.

**Under the three-part criteria, the USOE only recommended the following to receive the educator salary adjustment IF THEY ARE LICENSED EDUCATORS:**

**Librarians and Media Specialists:**

These two titles are synonymous. Most Utah librarians or media specialists, are paraprofessionals; however, some districts maintain licensed teachers in these positions and the count of 269 accurately reflects the number of licensed librarians/media specialists. (The total of paraprofessionals includes the remainder of those assigned to the library.) In either case, these people maintain, acquire, and update library collections, both hard and electronic; they provide for checkout and tracking of materials; and often they provide for classroom instruction/lessons that encourage reading as well as provide daily one-on-one help to students who are doing research.

Under the three-part criteria, the USOE did not recommend the following to receive the educator salary adjustment; however, USOE concurred with Representative Dee when he expressed a desire to have the positions included:

**School Administrators:**

These are licensed educators who have a master's degree in educational administration and who have been hired to be the leaders at each school site, handling all matters related to safety, budget, building operations and maintenance, teacher quality, student achievement, parent and community relations, core instruction, and extracurricular activities, to name a few key areas. This category does not include district administrators.

Under the three-part criteria, the USOE DID NOT recommend the following to be eligible to receive the educator salary adjustment:

**Instructional Coordinators and Supervisors:**

These are generally district or regional supervisors who serve teachers and provide much help, especially in the core areas; however, **they do not provide face-to-face instruction in schools.**

**Paraprofessionals:**

**Unlicensed** personnel who assist regular and special education teachers in classrooms, or who work as media specialists.

**Classified Personnel:**

**Unlicensed, non-educator** support staff assigned to clerical, janitorial, busing, lunch, and other related services for a school or district.

**LEA Administrators:**

**LEA administrators, for purposes of this bill, were considered district administrators and thus, ineligible.** (It should be noted, however, that LEA means "local education agency," and building principals/chief officers are often, themselves, called LEAs in federal and state law. However, each district in Utah and every charter school is considered an LEA, so there are often double understandings of LEA, dependent upon the context of the use of the term.)

**Social Workers:**

These are occasionally licensed teachers, but more often sociology graduates, who work hand-in-hand with a school's special services team to assist children and their families to help the children succeed in school. Their work often includes frequent assessment, regular home visits, and direct assistance to students and their parents. **They do not provide face-to-face instruction in the schools;** rather, they are the district's or school's liaison to the community, especially focused around health and human services needs. Services from social workers are not demanded by IDEA. **Social workers were not recommended by the USOE but were listed as recipients in the language of HB 382.**

**Agency Response**



# UTAH STATE OFFICE OF EDUCATION

Leadership. . . Service. . . Accountability

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May 10, 2007

John M. Schaff, Auditor General  
Office of the Legislative Auditor General  
W315 Utah State Capitol Complex  
PO Box 145315  
Salt Lake City, UT 84114-5315

Dear Mr. Schaff:

Thank you for allowing me the opportunity to study a draft of the report, "A Limited Review of HB382 – Educational Salary Adjustments." The Utah State Office of Education (USOE) has reviewed it carefully and concurs with its calculations.

One conclusion, for me, is clear—that greater accuracy of data coming from the USOE is demanded, as evidenced by this audit. This precision is required in our inputting and calculations of our data systems, in our mathematical formulas and summations, and in our public discussion about operations in the USOE and in our schools. We regret the errors attributable to the USOE of the many errors noted in the report. And while the audit indicates miscommunication may have occurred in various arenas related to this bill, the USOE will do all it can to provide consistent and clear communication with legislators and legislative staff members as we work through matters in the future.

One recommendation, for me, is troubling: that funding offsets from the 4% WPU and Social Security and Retirement might be used to resolve this issue. While I fully understand and accept that projected carry forward Minimum School Program funds could and maybe should be used for offset, the 4% item strikes at the heart of opportunities to enhance teaching and learning in schools, through teacher benefits and salaries as well as programs and other pressing school needs. I respectfully ask you to avoid using the 4% WPU and Social Security and Retirement funding as part of offsetting the costs of the teacher salary adjustment. I believe it will harm teacher morale as many of those funds have already been part of the negotiations process and teachers are already keenly aware of their potential positive impact in increased pay, benefits and/or program opportunities. Let me explain.

As we have been working through the implementation of HB382, and recognizing the financial hurdles that were presented from miscommunication and error in many places, some days ago I asked our district superintendents and charter school directors to put a hold on finalizing negotiations until we could resolve this issue. Many districts were almost finished with negotiations, and were ready to place their negotiated agreements to a vote of their educators. These negotiations included the teacher salary adjustment as well as other financial commitments based upon money available through the 4% enhancement of the WPU and the

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Social Security and Retirement line items. While the final vote is on hold in many districts, the negotiations have been conducted in good faith and are concluded in many areas.

Additionally, showing support for your legislative commitment to teachers, our districts and charter schools have also voted to support the rule of the Utah State Board of Education which follows legislative intent to put the **full amount** of the teacher adjustment salary **inside** the salary schedule rather than outside of it or as an additional attachment. This vote honors legislative intent and was not an easy commitment, given the shortfall in funding at the time of the vote and the requirement of schools to be fully solvent in their commitments. All of this has been done in faithful anticipation of supplemental funds to come from the Utah Legislature to cover the shortfall in the 2008 Legislative Session.

I would hope that if you determine to use the projected Minimum School Program carry forward funds and do not pull from the 4% line items, but instead, add supplemental funding to fully fund the teacher salary adjustment as written and passed in HB382, that we will be linking arms and showing mutual faith in a tough resolution to a mutual problem of communication and error. That would still provide the great benefit you have given to teachers in this tremendous salary boost while maintaining high morale and esprit de corps of all involved. I believe that such goodwill is well worth the cost of the supplemental.

Once again, I wish to reiterate my gratitude to the Utah Legislature for the significant increase in salary for teachers. Thank you for considering this further response.

Sincerely,

A handwritten signature in cursive script, reading "Patti Harrington". The signature is written in black ink and is positioned above the typed name and title.

Patti Harrington, Ed.D.  
State Superintendent of Public Instruction