

## HB0054S01 compared with HB0054

~~text~~ shows text that was in HB0054 but was deleted in HB0054S01.

text shows text that was not in HB0054 but was inserted into HB0054S01.

**DISCLAIMER:** This document is provided to assist you in your comparison of the two bills. Sometimes this automated comparison will NOT be completely accurate. Therefore, you need to read the actual bills. This automatically generated document could contain inaccuracies caused by: limitations of the compare program; bad input data; or other causes.

Representative Jack R. Draxler proposes the following substitute bill:

### PUBLIC EDUCATION INCREASED FUNDING PROGRAM

2015 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Jack R. Draxler**

Senate Sponsor: \_\_\_\_\_

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#### LONG TITLE

##### General Description:

This bill amends income tax provisions and provides for public school funding.

##### Highlighted Provisions:

This bill:

- ▶ increases the income tax rate imposed on an individual's state taxable income from 5% to ~~6%~~5.5%;
- ▶ creates the Income Tax Growth Account within the Education Fund;
- ▶ requires the increased collections from the state's income tax to be deposited into the Income Tax Growth Account;
- ▶ subject to legislative appropriation, requires the State Board of Education to distribute money from the Income Tax Growth Account to local education agencies (LEAs) through the Pay for Performance Incentive Pay Program ~~and~~ the Digital

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Teaching and Learning Technology Program, and to fund salary increases for educators under an existing educator salary adjustment program;

- ▶ creates the Pay for Performance Incentive Pay Program;
- ▶ requires an LEA to develop a pay for performance incentive payment plan to distribute incentive payments to outstanding classroom teachers within the LEA and submit the plan to the State Board of Education for approval;
- ▶ creates the Digital Teaching and Learning Technology Program;
- ▶ provides that an LEA may use money received from the Digital Teaching and Learning Technology Program for certain purposes;
- ▶ defines terms; and
- ▶ makes technical changes.

### Money Appropriated in this Bill:

None

### Other Special Clauses:

This bill provides a special effective date.

### Utah Code Sections Affected:

AMENDS:

**59-10-104**, as last amended by Laws of Utah 2008, Chapter 389

ENACTS:

**53A-16-201**, Utah Code Annotated 1953

**53A-16-202**, Utah Code Annotated 1953

**53A-16-203**, Utah Code Annotated 1953

**53A-16-204**, Utah Code Annotated 1953

**53A-16-205**, Utah Code Annotated 1953

**53A-16-206**, Utah Code Annotated 1953

**59-10-552**, Utah Code Annotated 1953

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*Be it enacted by the Legislature of the state of Utah:*

Section 1. Section **53A-16-201** is enacted to read:

### **Part 2. Public Education Increased Funding Program**

**53A-16-201. Public Education Increased Funding Program.**

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This part is known as the "Public Education Increased Funding Program."

Section 2. Section **53A-16-202** is enacted to read:

### **53A-16-202. Definitions.**

As used in this part:

(1) "Account" means the Income Tax Growth Account created in Section 53A-16-203.

(2) "Board" means the State Board of Education.

(3) "Educator" means an individual who holds or is required to hold a license under Title 53A, Chapter 6, Educator Licensing and Professional Practices Act.

(4) "LEA" or "local education agency" means:

(a) a school district;

(b) a charter school; or

(c) the Utah Schools for the Deaf and the Blind.

Section 3. Section **53A-16-203** is enacted to read:

### **53A-16-203. Income Tax Growth Account.**

(1) There is created within the Education Fund a restricted account known as the "Income Tax Growth Account."

(2) The account consists of amounts ~~appropriated~~ deposited into the account in accordance with Section ~~59-10-104~~ 59-10-552.

(3) Interest earned on the account shall be deposited into the account.

(4) Upon appropriation by the Legislature, the board shall use:

(a) ~~75%~~ 50% of the money from the account to fund the Pay for Performance Incentive Pay Program as provided in Section 53A-16-204; ~~and~~

(b) 25% of the money from the account to fund the Digital Teaching and Learning Technology Program as provided in Section 53A-16-205; ~~and~~ and

(c) 25% of the money from the account to fund educator salary adjustments as described in Section 53A-17a-153.

Section 4. Section **53A-16-204** is enacted to read:

### **53A-16-204. Pay for Performance Incentive Pay Program.**

(1) (a) As used in this section, "classroom teacher" means a permanent teacher:

(i) who is a licensed educator;

(ii) who is paid on the teacher's salary schedule;

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(iii) who is hired for an entire contract period; and

(iv) whose primary function is to provide instructional or a combination of instructional and counseling services to students in public schools.

(b) "Classroom teacher" includes a teacher who:

(i) job-shares with one or more teachers; and

(ii) meets the description of a classroom teacher in Subsection (1)(a).

(2) ~~{(a)}~~ There is created the Pay for Performance Incentive Pay Program to provide incentive payments to outstanding classroom teachers.

~~{b}3~~ The board shall distribute money appropriated for the Pay for Performance Incentive Pay Program to ~~{LEAs as described in Subsections (3), (4), and (5)}~~

~~(3) (a) The board shall distribute funding to charter schools for the Pay for Performance Incentive Pay Program in an amount equal to the product of:~~

~~(i) enrollment on October 1 in the prior year in charter schools statewide, divided by enrollment on October 1 in the prior year in public schools statewide; and~~

~~(ii) the total amount available for distribution under this section;~~

~~(b) The amount available for distribution to charter schools shall be allocated among charter schools; an LEA in proportion to ~~each charter school's enrollment as a percentage of the total enrollment in charter schools;~~~~

~~(4) The board shall distribute funding to the Utah Schools for the Deaf and the Blind for the Pay for Performance Incentive Pay Program in an amount equal to the product of:~~

~~(a) enrollment on October 1 in the prior year at the Utah Schools for the Deaf and the Blind, divided by enrollment on October 1 in the prior year in public schools statewide; and~~

~~(b) the total amount available for distribution under this section;~~

~~(5) Of the funds available for distribution under this section after the allocation of funds for the Utah Schools for the Deaf and the Blind and charter schools, the board shall distribute:~~

~~(a) 10% of the funds to school districts on an equal basis; and~~

~~(b) the remaining 90% of the funds to school districts on a per student basis;~~

~~(6) the number of full-time-equivalent classroom teacher positions in the LEA as compared to the total number of full-time-equivalent classroom teacher positions in LEAs statewide.~~

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(4) (a) To receive an allocation under this section, an LEA shall:

(i) submit, prior to July 1, 2016, a written pay for performance incentive payment plan to the board that conforms to guidelines established by the board in rule; and

(ii) receive approval of the plan by the board.

(b) The LEA shall provide specific information in the LEA's pay for performance incentive payment plan about how the LEA intends to spend its allocation, including:

(i) criteria for awarding pay for performance incentive payments to classroom teachers;

(ii) the instruments or assessments that may be used to measure or evaluate performance;

(iii) the amount of pay for performance incentive payments that may be awarded; and

(iv) whether the pay for performance incentive payments will be based on individual, team, or school-based performance, or a combination of those.

(c) The board shall send the approved plans to the Executive Appropriations Committee and the Education Interim Committee by September 1, 2016, for review and comment.

(~~7~~5) (a) An LEA that is a charter school shall include an evaluation system as part of the LEA's pay for performance incentive payment plan described in Subsection (~~6~~4).

(b) The charter school's evaluation system described in Subsection (~~7~~5)(a) shall include the following components:

(i) the annual evaluation of all classroom teachers; and

(ii) a summative evaluation that differentiates among four levels of performance.

(c) A charter school may not award a pay for performance incentive payment to a classroom teacher if the classroom teacher's rating on the most recent evaluation is at the lowest or second lowest level of an evaluation instrument that differentiates among four levels of performance as required in Subsection (~~7~~5)(b).

(~~8~~6) An LEA that is a school district or the Utah Schools for the Deaf and the Blind:

(a) shall align the LEA's pay for performance incentive payment plan described in Subsection (~~6~~4) with the LEA's annual evaluation system created in accordance with Title 53A, Chapter 8a, Part 4, Educator Evaluations; and

(b) may not award a pay for performance incentive payment to a classroom teacher if the classroom teacher's rating on the most recent evaluation is at the lowest or second lowest

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level of an evaluation instrument that differentiates among four levels of performance as described in Section 53A-8a-405.

~~(9)~~(7) (a) An LEA shall award pay for performance incentive payments to classroom teachers from money distributed under this section beginning with the 2016-17 school year.

(b) Pay for performance incentive payment money may only be used in accordance with an LEA's pay for performance incentive payment plan.

Section 5. Section **53A-16-205** is enacted to read:

### **53A-16-205. Digital Teaching and Learning Technology Program.**

(1) (a) There is created the Digital Teaching and Learning Technology Program to improve school level outcomes through the use of digital teaching and learning technology and educator professional development.

(b) The board shall distribute money appropriated for the Digital Teaching and Learning Technology Program to LEAs as provided in this section.

(2) (a) The board shall distribute funding to charter schools for the Digital Teaching and Learning Technology Program in an amount equal to the product of:

(i) enrollment on October 1 in the prior year in charter schools statewide, divided by enrollment on October 1 in the prior year in public schools statewide; and

(ii) the total amount available for distribution under this section.

(b) The amount available for distribution to charter schools shall be allocated among charter schools in proportion to each charter school's enrollment as a percentage of the total enrollment in charter schools.

(3) The board shall distribute funding to the Utah Schools for the Deaf and the Blind for the Digital Teaching and Learning Technology Program in an amount equal to the product of:

(a) enrollment on October 1 in the prior year at the Utah Schools for the Deaf and the Blind, divided by enrollment on October 1 in the prior year in public schools statewide; and

(b) the total amount available for distribution under this section.

(4) Of the funds available for distribution under this section after the allocation of funds for the Utah Schools for the Deaf and the Blind and charter schools, the board shall distribute:

(a) ~~{10% of the funds}~~ \$50,000 to each school ~~{districts on an equal basis}~~ district; and

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(b) the remaining ~~90%~~ amount of the funds after the distribution in Subsection (4)(a) to school districts on a per student basis.

(5) Beginning with the 2016-17 school year, an LEA may use money received from the Digital Teaching and Learning Technology Program for the following purposes:

(a) wireless network infrastructure or infrastructure related to digital teaching and learning;

(b) digital licensed and unlicensed content, resources, and programs;

(c) software that provides a digital learning platform;

(d) technology support services;

(e) consultation services related to digital teaching and learning; and

(f) professional learning for educators, administrators, and support staff related to digital teaching and learning.

(6) Beginning with the 2017-18 school year, in addition to the purposes described in Subsection (5), an LEA may use the money received from the Digital Teaching and Learning Technology Program for hardware related to digital teaching and learning, including laptop computers or mobile devices.

Section 6. Section **53A-16-206** is enacted to read:

### **53A-16-206. Accountability -- Reporting requirements.**

(1) If an LEA uses Pay for Performance Incentive Pay Program money for purposes other than those stated in the LEA's pay for performance incentive payment plan, the LEA shall reimburse the money that was improperly used.

(2) If an LEA uses Digital Teaching and Learning Technology Program money for purposes other than those stated in Subsections 53A-16-205(5) and (6), the LEA shall reimburse the money that was improperly used.

(3) An LEA that awards pay for performance incentive payments from money distributed under Section 53A-16-204 shall report the following information to the board:

(a) the number of educators who received pay for performance incentive payments;

(b) the total number of educators;

(c) the average pay for performance incentive payments awarded to educators; and

(d) the maximum pay for performance incentive payments awarded to an educator.

(4) The board shall report the information described in Subsection (3) to the Executive

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Appropriations Committee by June 30, 2017.

(5) The board may make rules as necessary to administer this part, in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act.

Section 7. Section **59-10-104** is amended to read:

**59-10-104. Tax basis -- Tax rate -- Exemption.**

(1) [~~For taxable years beginning on or after January 1, 2008, a~~] A tax is imposed on the state taxable income of a resident individual as provided in this section.

(2) For purposes of Subsection (1), for a taxable year, the tax is an amount equal to the product of:

(a) the resident individual's state taxable income for that taxable year; and

(b) [~~5%~~] ~~{6%}~~ 5.5%.

(3) This section does not apply to a resident individual exempt from taxation under Section 59-10-104.1.

Section 8. Section **59-10-552** is enacted to read:

**59-10-552. Distribution of certain revenue for education.**

(1) For purposes of this section, "increased collections from the state's income tax" means an amount equal to the difference between:

(a) the amount of money collected for a taxable year by the state by imposing a ~~{6%}~~ 5.5% income tax on the state taxable income of a tax under this chapter; and

(b) the amount of money that would have been collected by the state during the same taxable year if the state had imposed a 5% income tax on the state taxable income of a tax under this chapter.

(2) Beginning January 1, 2017, the commission shall annually deposit an amount equal to the increased collections from the state's income tax into the Income Tax Growth Account created in Section 53A-2-203.

Section 9. **Effective date.**

This bill takes effect for a taxable year beginning on or after January 1, 2016.

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**Legislative Review Note**

~~as of 12-5-14 4:58 PM~~

~~Office of Legislative Research and General Counsel~~