

1 **Office of Legislative Auditor General Provisions**

2025 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Jefferson S. Burton

2
3 **LONG TITLE**

4 **General Description:**

5 This bill amends provisions governing the duties and powers of the legislative auditor
6 general.

7 **Highlighted Provisions:**

8 This bill:

- 9 ▶ restates the legislative auditor general's constitutional authority;
- 10 ▶ amends provisions governing information provided by an entity audited by the legislative
11 auditor general;
- 12 ▶ amends provisions governing criminal interference with a legislative audit;
- 13 ▶ amends the definition of "chief officer" for purposes of responding to an audit;
- 14 ▶ permits the legislative auditor general to identify an individual other than a chief officer
15 to respond to a legislative audit; and
- 16 ▶ makes other technical and conforming changes.

17 **Money Appropriated in this Bill:**

18 None

19 **Other Special Clauses:**

20 None

21 **Utah Code Sections Affected:**

22 AMENDS:

23 **36-12-15**, as last amended by Laws of Utah 2024, Third Special Session, Chapter 3

24 **36-12-15.3**, as enacted by Laws of Utah 2024, Chapter 403

25 **53F-2-526**, as enacted by Laws of Utah 2024, Chapter 374

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

28 Section 1. Section **36-12-15** is amended to read:

29 **36-12-15 . Office of the Legislative Auditor General established -- Qualifications**
30 **-- Powers, functions, and duties -- Reporting -- Criminal penalty -- Employment.**

31 (1) As used in this section:

- 32 (a) "Audit action" means an audit, examination, investigation, or review of an entity
33 conducted by the office.
- 34 (b) "Entity" means:
35 (i) a government organization; or
36 (ii) a receiving organization.
- 37 (c) "Government organization" means:
38 (i) a state branch, department, or agency; or
39 (ii) a political subdivision, including a county, municipality, special district, special
40 service district, school district, interlocal entity as defined in Section 11-13-103,
41 or any other local government unit.
- 42 (d) "Office" means the Office of the Legislative Auditor General.
- 43 (e) "Receiving organization" means an organization that receives public funds that is not
44 a government organization.
- 45 (2)(a) There is created the Office of the Legislative Auditor General as a permanent
46 staff office for the Legislature.
- 47 (b) The authority of the legislative auditor general is:
48 (i) established in Utah Constitution, Article VI, Section 33; and
49 (ii) an extension of the Legislature's inherent inquiry and investigatory power.
- 50 (3) The legislative auditor general shall be a licensed certified public accountant or certified
51 internal auditor with at least seven years of experience in the auditing or public
52 accounting profession, or the equivalent, prior to appointment.
- 53 (4) The legislative auditor general shall [~~appoint~~] employ and develop a professional staff
54 within budget limitations.
- 55 (5) The office shall exercise the constitutional authority provided in Utah Constitution,
56 Article VI, Section 33.
- 57 (6) Under the direction of the legislative auditor general, the office shall:
58 (a) conduct comprehensive and special purpose audits, examinations, investigations, or
59 reviews of entity funds, functions, and accounts;
60 (b) prepare and submit a written report on each audit action to the Audit Subcommittee
61 created in Section 36-12-8 and make the report available to all members of the
62 Legislature within 75 days after the audit action is completed;
63 (c) monitor, conduct a risk assessment of, or audit any efficiency evaluations that the
64 legislative auditor general determines necessary, in accordance with Title 63J,
65 Chapter 1, Part 9, Government Performance Reporting and Efficiency Process, and

- 66 legislative rule;
- 67 (d) create, manage, and report to the Audit Subcommittee a list of high risk programs
68 and operations that:
- 69 (i) threaten public funds or programs;
- 70 (ii) are vulnerable to inefficiency, waste, fraud, abuse, or mismanagement; or
71 (iii) require transformation;
- 72 (e) monitor and report to the Audit Subcommittee the health of a government
73 organization's internal audit functions;
- 74 (f) make recommendations to increase the independence and value added of internal
75 audit functions throughout the state;
- 76 (g) implement a process to track, monitor, and report whether the subject of an audit has
77 implemented recommendations made in the audit report;
- 78 (h) establish, train, and [~~maintain~~] retain individuals within the office to conduct
79 investigations and represent themselves as lawful investigators on behalf of the office;
- 80 (i) establish policies, procedures, methods, and standards of audit work and
81 investigations for the office and staff;
- 82 (j) prepare and submit each audit and investigative report independent of any influence
83 external of the office, including the content of the report, the conclusions reached in
84 the report, and the manner of disclosing the legislative auditor general's findings;
- 85 (k) prepare and submit [~~the~~] an annual budget request for the office; and
- 86 (l) perform other duties as prescribed by the Legislature.
- 87 (7) In conducting an audit action of an entity, the office may include a determination of any
88 or all of the following:
- 89 (a) the honesty and integrity of any of the entity's fiscal affairs;
- 90 (b) the accuracy and reliability of the entity's internal control systems and specific
91 financial statements and reports;
- 92 (c) whether [~~or not~~]the entity's financial controls are adequate and effective to properly
93 record and safeguard the entity's acquisition, custody, use, and accounting of public
94 funds;
- 95 (d) whether the entity's administrators have complied with legislative intent;
- 96 (e) whether the entity's operations have been conducted in an efficient, effective, and
97 cost efficient manner;
- 98 (f) whether the entity's programs have been effective in accomplishing intended
99 objectives; and

100 (g) whether the entity's management control and information systems are adequate and
 101 effective.

102 (8)~~[(a)]~~ If requested by the office, each entity that the legislative auditor general is
 103 authorized to audit under Utah Constitution, Article VI, Section 33, ~~[or this section]~~
 104 shall, notwithstanding any other provision of law~~[-except as provided in Subsection~~
 105 ~~(8)(b)]~~, provide the office with access to information, materials, or resources the
 106 office determines are necessary to conduct an audit, examination, investigation, or
 107 review, including:

108 ~~[(i)]~~ (a) the following in the possession or custody of the entity in the format identified
 109 by the office:

110 ~~[(A)]~~ (i) a record, document, and report; and

111 ~~[(B)]~~ (ii) films, tapes, recordings, and electronically stored information;

112 ~~[(ii)]~~ (b) entity personnel; and

113 ~~[(iii)]~~ (c) each official or unofficial recording of formal or informal meetings or
 114 conversations to which the entity has access.

115 ~~[(b) To the extent compliance would violate federal law, the requirements of Subsection~~
 116 ~~(8)(a) do not apply.]~~

117 (9)(a) In carrying out the duties provided for in this section and under Utah
 118 Constitution, Article VI, Section 33, the legislative auditor general may issue a
 119 subpoena to access information, materials, or resources in accordance with Chapter
 120 14, Legislative Subpoena Powers.

121 (b) The legislative auditor general may issue a subpoena, as described in Subsection
 122 (9)(a), to a financial institution or any other entity to obtain information as part of an
 123 investigation ~~[of]~~ involving public funds and fraud, waste, or abuse, including any
 124 suspected malfeasance, misfeasance, or nonfeasance~~[-involving public funds]~~.

125 (10) To preserve the professional integrity and independence of the office:

126 (a) no legislator or public official may urge the appointment of any person to the office;
 127 and

128 (b) the legislative auditor general may not be appointed to serve on any board, authority,
 129 commission, or other agency of the state during the legislative auditor general's term
 130 as legislative auditor general.

131 (11)(a) The following records in the custody or control of the legislative auditor general
 132 are protected records under Title 63G, Chapter 2, Government Records Access and
 133 Management Act:

- 134 (i) records and audit work papers that would disclose information relating to
135 allegations of personal misconduct, gross mismanagement, or illegal activity of a
136 past or present governmental employee if the information or allegation cannot be
137 corroborated by the legislative auditor general through other documents or
138 evidence, and the records relating to the allegation are not relied upon by the
139 legislative auditor general in preparing a final audit report;
- 140 (ii) records and audit workpapers that would disclose the identity of a person who,
141 during the course of a legislative audit, communicated the existence of:
142 (A) unethical behavior;
143 (B) waste of public funds, property, or personnel; or
144 (C) a violation or suspected violation of a United States, Utah state, or political
145 subdivision law, rule, ordinance, or regulation, if the person disclosed on the
146 condition that the identity of the person be protected;
- 147 (iii) before an audit is completed and the final audit report is released, records or
148 drafts circulated to a person who is not an employee or head of an entity for
149 review, response, or information;
- 150 (iv) records that would disclose:
151 (A) an outline;
152 (B) all or part of an audit survey, audit risk assessment plan, or audit program; or
153 (C) other procedural documents necessary to fulfill the duties of the office; and
154 (v) ~~requests for audits~~ a request for an audit, if disclosure would risk circumvention
155 of ~~an~~ the audit.
- 156 (b) The provisions of Subsection (11)(a) do not prohibit the disclosure of records or
157 information to a government prosecutor or peace officer if those records or
158 information relate to a violation of the law by an entity or entity employee.
- 159 (c) A record, as defined in Section 63G-2-103, created by the office in a closed meeting
160 held in accordance with Section 52-4-205:
161 (i) is a protected record, as defined in Section 63G-2-103;
162 (ii) to the extent the record contains information:
163 (A) described in Section 63G-2-302, is a private record; or
164 (B) described in Section 63G-2-304, is a controlled record; and
165 (iii) may not be reclassified by the office.
- 166 (d) The provisions of this section do not limit the authority otherwise given to the
167 legislative auditor general to maintain the private, controlled, or protected record

168 status of a shared record in the legislative auditor general's possession or classify a
169 document as public, private, controlled, or protected under Title 63G, Chapter 2,
170 Government Records Access and Management Act.

171 (12) The legislative auditor general shall:

172 (a) be available to the Legislature and to the Legislature's committees for consultation on
173 matters relevant to areas of the legislative auditor general's professional competence;

174 (b) conduct special audits as requested by the Audit Subcommittee;

175 (c) report immediately to the Audit Subcommittee any apparent violation of penal
176 statutes disclosed by the audit of an entity and furnish to the Audit Subcommittee all
177 information relative to the apparent violation;

178 (d) report immediately to the Audit Subcommittee any apparent instances of
179 malfeasance or nonfeasance by an entity officer or employee disclosed by the audit of
180 an entity; and

181 (e) make any recommendations to the Audit Subcommittee with respect to the alteration
182 or improvement of the accounting system used by an entity.

183 (13) If the legislative auditor general conducts an audit of an entity that has previously been
184 audited and finds that the entity has not implemented a recommendation made by the
185 legislative auditor general in a previous audit report, the legislative auditor general shall
186 report to the Audit Subcommittee that the entity has not implemented the
187 recommendation.

188 (14) Before each annual general session, the legislative auditor general shall:

189 (a) prepare an annual report that:

190 (i) summarizes the audits, examinations, investigations, and reviews conducted by the
191 office since the last annual report; and

192 (ii) evaluate and report the degree to which an entity that has been the subject of an
193 audit has implemented the audit recommendations;

194 (b) include in the report any items and recommendations that the legislative auditor
195 general believes the Legislature should consider in the annual general session; and

196 (c) deliver the report to the Legislature and to the appropriate committees of the
197 Legislature.

198 (15)(a) If the chief officer of an entity has actual knowledge or reasonable cause to
199 believe that there is misappropriation of the entity's public funds or assets, or another
200 entity officer has actual knowledge or reasonable cause to believe that the chief
201 officer is misappropriating the entity's public funds or assets, the chief officer or,

- 202 alternatively, the other entity officer, shall immediately notify, in writing:
- 203 (i) the office;
- 204 (ii) the attorney general, county attorney, or district attorney; and
- 205 (iii)(A) for a state government organization, the chief executive officer;
- 206 (B) for a political subdivision government organization, the legislative body or
- 207 governing board; or
- 208 (C) for a receiving organization, the governing board or chief executive officer
- 209 unless the chief executive officer is believed to be misappropriating the funds
- 210 or assets, in which case the next highest officer of the receiving organization.
- 211 (b) As described in Subsection (15)(a), the entity chief officer or, if applicable, another
- 212 entity officer, is subject to the protections of Title 67, Chapter 21, Utah Protection of
- 213 Public Employees Act.
- 214 (c) If the Office of the Legislative Auditor General receives a notification under
- 215 Subsection (15)(a) or other information of misappropriation of public funds or assets
- 216 of an entity, the office shall inform the Audit Subcommittee.
- 217 (d) The attorney general, county attorney, or district attorney shall notify, in writing, the
- 218 Office of the Legislative Auditor General whether the attorney general, county
- 219 attorney, or district attorney pursued criminal or civil sanctions in the matter.
- 220 ~~(16)[(a) An actor commits interference with a legislative audit if the actor uses force,~~
- 221 ~~violence, intimidation, or engages in any other unlawful act with a purpose to~~
- 222 ~~interfere with:]~~
- 223 ~~[(i) a legislative audit action; or]~~
- 224 ~~[(ii) the office's decisions relating to:]~~
- 225 ~~[(A) the content of the office's report;]~~
- 226 ~~[(B) the conclusions reached in the office's report; or]~~
- 227 ~~[(C) the manner of disclosing the results and findings of the office.]~~
- 228 ~~[(b)]~~ (a) As used in this Subsection (16), "legislative audit" means:
- 229 (i) an audit action; or
- 230 (ii) the office's decision relating to:
- 231 (A) the content of a report;
- 232 (B) the conclusions reached in a report; or
- 233 (C) the manner of disclosing the results and findings of the office.
- 234 (b) An actor commits interference with a legislative audit if the actor, with intent to
- 235 hinder, delay, falsify, or prevent a legislative audit:

- 236 (i) prevents by force, intimidation, or deception any person from performing an act
 237 that responds to or assists with a legislative audit;
- 238 (ii) alters, destroys, conceals, or removes any material, information, or resources
 239 from a legislative audit;
- 240 (iii) makes, presents, or uses material, information, or resources known by the actor
 241 to be false;
- 242 (iv) conceals an item described in Subsection (8) or other information that is not
 243 confidential or privileged;
- 244 (v) provides false information; or
- 245 (vi) warns any person of an impending legislative audit.
- 246 (c)(i) A violation of Subsection [~~(16)(a)~~] (16)(b)(i), (ii), or (iii) is a class [B] A
 247 misdemeanor.
- 248 (ii) A violation of Subsection (16)(b)(iv), (v), or (vi) is a class B misdemeanor.
- 249 (17)(a) The office may require any current employee, or any applicant for employment,
 250 to submit to a fingerprint-based local, regional, and criminal history background
 251 check as an ongoing condition of employment.
- 252 (b) An employee or applicant for employment shall provide a completed fingerprint card
 253 to the office upon request.
- 254 (c) The office shall require that an individual required to submit to a background check
 255 under this Subsection (17) also provide a signed waiver on a form provided by the
 256 office that meets the requirements of Subsection 53-10-108(4).
- 257 (d) For a noncriminal justice background search and registration in accordance with
 258 Subsection 53-10-108(13), the office shall submit to the Bureau of Criminal
 259 Identification:
- 260 (i) the employee's or applicant's personal identifying information and fingerprints for
 261 a criminal history search of applicable local, regional, and national databases; and
- 262 (ii) a request for all information received as a result of the local, regional, and
 263 nationwide background check.
- 264 (18) Subject to prioritization of the Legislative Audit Subcommittee, the Office of the
 265 Legislative Auditor General shall conduct a feasibility study under Section 53G-3-301.1,
 266 53G-3-301.3, or 53G-3-301.4.
- 267 Section 2. Section **36-12-15.3** is amended to read:
- 268 **36-12-15.3 . Response to audit -- Chief officer -- Entity reporting requirements --**
 269 **Audit response plan -- Semi-annual update.**

- 270 (1) As used in this section;
- 271 (a) "Alternative action" means a process, practice, or procedure that an entity
272 implements in response to an audit report that is different from the process, practice,
273 or procedure described in a recommendation.
- 274 (b) "Audit report" means a written report that the office issues that contains the office's
275 findings and recommendations with respect to an audit of an entity.
- 276 (c) "Audit response plan" means a written document that an entity issues that contains
277 the entity's response to an audit report of the entity.
- 278 (d) "Audit Subcommittee" means the subcommittee created in Subsection 36-12-8(1)(c).
- 279 (e) "Chief officer" means the individual [~~who holds ultimate authority over~~] responsible
280 for the day-to-day direction, management[~~or governance~~] , and operation of an entity.
- 281 (f) "Entity" means:
- 282 (i) the same as that term is defined in Subsection 36-12-15(1); or
- 283 (ii) any other person that the office is authorized to audit under any other provision of
284 law.
- 285 (g) "Legislative committee" means the committee to which the Audit Subcommittee
286 refers an audit report under Subsection 36-12-8(2)(d)(ii)(C).
- 287 (h) "Office" means the Office of the Legislative Auditor General.
- 288 (i) "Recommendation" means a process, practice, or procedure described in an audit
289 report that the office proposes an entity implement.
- 290 (j) "Reply" means a written document that the office issues that contains the office's
291 response to an entity's audit response plan.
- 292 (2)(a) In addition to any other information that the office is required to include or attach
293 to an audit report, the office shall, for each audit report the office issues:
- 294 [~~(a)~~] (i) subject to Subsection (2)(b), include in the audit report:
- 295 [(~~i~~)] (A) the identity of the chief officer; and
- 296 [(~~ii~~)] (B) a notice to the chief officer that the chief officer must comply with the
297 reporting requirements described in this section; and
- 298 [~~(b)~~] (ii) attach to the audit report:
- 299 [(~~i~~)] (A) the audit response plan of the entity that is the subject of the audit report;
300 and
- 301 [(~~ii~~)] (B) at the discretion of the legislative auditor general, a reply to the entity's
302 audit response plan.
- 303 (b) To comply with the reporting requirements of this section, the legislative auditor

- 304 general may:
- 305 (i) identify an individual other than the chief officer; or
- 306 (ii) if the entity is an entity under the direct supervision and control of the governor
- 307 or the lieutenant governor, identify with the governor or lieutenant governor or
- 308 their designee, an individual other than the chief officer to comply with the
- 309 reporting requirements of this section.
- 310 (3) The chief officer of an entity that is the subject of an audit report shall:
- 311 (a) prepare an audit response plan that:
- 312 (i) is in writing;
- 313 (ii) responds to the findings in the audit report; and
- 314 (iii) subject to Subsection (4), for each recommendation in the audit report:
- 315 (A) describes how the entity will implement the recommendation;
- 316 (B) identifies the individual employed by or otherwise affiliated with the entity
- 317 who is responsible for implementing the recommendation;
- 318 (C) establishes a timetable that identifies benchmarks for the entity to implement
- 319 the recommendation; and
- 320 (D) specifies an anticipated deadline by which the entity will fully implement the
- 321 recommendation; and
- 322 (b) submit the audit response plan to the office before the office submits the audit report
- 323 to the Audit Subcommittee under Subsection 36-12-15(6)(b).
- 324 (4) If the chief officer described in Subsection (3) objects to implementing a
- 325 recommendation in an audit report, the chief officer shall:
- 326 (a) prepare an audit response plan in accordance with Subsections (3)(a)(i) and (ii) that:
- 327 (i) explains the basis for the objection; and
- 328 (ii)(A) identifies an alternative action that the entity will implement; or
- 329 (B) specifies that the entity will not implement the recommendation or an
- 330 alternative action; and
- 331 (b) comply with submission requirements described in Subsection (3)(b).
- 332 (5) A chief officer implementing an alternative action under Subsection (4)(a)(ii)(A) shall,
- 333 as it relates to the alternative action, include in the audit response plan the information
- 334 described in Subsection (3)(a)(iii).
- 335 (6) Subject to Subsection (8), if the chief officer of an entity that is the subject of an audit
- 336 report implements a recommendation under Subsection (3)(a)(iii), or an alternative
- 337 action under Subsections (4)(a)(ii)(A) and (5), the chief officer shall, no later than 180

- 338 days after the day on which the Audit Subcommittee refers the audit report to a
 339 legislative committee:
- 340 (a) prepare an update to the entity's audit response plan that:
- 341 (i) is in writing; and
- 342 (ii) describes the entity's progress towards fully implementing:
- 343 (A) each recommendation addressed in the entity's audit response plan under
 344 Subsection (3)(a)(iii); or
- 345 (B) each alternative action addressed in the entity's audit response plan under
 346 Subsections (4)(a)(ii)(A) and (5); and
- 347 (b) submit the update to the legislative committee and the legislative auditor general.
- 348 (7) Subject to Subsection (8), after the chief officer described in Subsection (6) complies
 349 with the submission requirements described in Subsection (6)(b), the chief officer shall:
- 350 (a) continue to update the audit response plan in accordance with Subsection (6)(a); and
 351 (b) submit the update to the legislative committee and the legislative auditor general at
 352 least semi-annually.
- 353 (8) A chief officer's obligation to update an audit response plan under this section
 354 terminates when the legislative auditor general reports to the Audit Subcommittee that
 355 the entity which is the subject of the audit report has fully implemented:
- 356 (a) each recommendation addressed in the entity's audit response plan under Subsection
 357 (3)(a)(iii); or
- 358 (b) each alternative action addressed in the entity's audit response plan under
 359 Subsections (4)(a)(ii)(A) and (5).
- 360 Section 3. Section **53F-2-526** is amended to read:
- 361 **53F-2-526 . Excellence in Education and Leadership Supplement.**
- 362 (1) As used in this section:
- 363 (a) "Center" means the Center for the School of the Future at Utah State University
 364 established in Section 53B-18-801.
- 365 (b) "Eligible teacher" means a teacher who is a top-performing teacher that the center
 366 determines using an LEA's assessment methods, including:
- 367 (i) student growth or achievement measures;
- 368 (ii) professional evaluations;
- 369 (iii) parent surveys; and
- 370 (iv) other data-driven criteria the LEA establishes and the center verifies for validity.
- 371 (c) "Eligible teacher" includes an individual whom an LEA participating in the program

- 372 employs and who holds:
- 373 (i) a license the state board issues; and
- 374 (ii) a position that includes a current classroom teaching assignment.
- 375 (d) "High poverty school" means the same as the term is defined in Section 53F-2-513.
- 376 (e) "LEA" means:
- 377 (i) a school district;
- 378 (ii) charter school; and
- 379 (iii) a regional education service agency.
- 380 (f) "Program" means the Excellence in Education and Leadership Supplement created in
- 381 Subsection (2).
- 382 (g) "Tier performance level" means the following levels of performance for a teacher in
- 383 comparison to all teachers the center determines in accordance with Subsection (7):
- 384 (i) the top 5% of teachers;
- 385 (ii) the next 6%-10% of teachers; and
- 386 (iii) the next 11%-25% of teachers.
- 387 (h) "Top-performing" means the top 25% of teachers in comparison to all teachers the
- 388 center determines using the methods described in Subsection (1)(b).
- 389 (2) Beginning July 1, 2024, there is created a five-year pilot program known as the
- 390 Excellence in Education and Leadership Supplement to provide a salary supplement to
- 391 an eligible teacher in recognition for outstanding instructional talent.
- 392 (3)(a) No later than December 31, 2024, an LEA shall declare the LEA's intent to
- 393 participate in the program to the center.
- 394 (b) If an LEA declares an intent to participate in the program, the LEA shall:
- 395 (i) develop a process for a school principal or the principal's designee to assess a
- 396 teacher's performance consistent with this section to determine if a teacher is an
- 397 eligible teacher, including the corresponding tier performance level; and
- 398 (ii) create an appeals process for an employee who is not nominated to be an eligible
- 399 teacher.
- 400 (4) No later than April 1, 2025, an LEA shall:
- 401 (a) attend a training that the center creates regarding the guidelines for developing a
- 402 process described in Subsection (3); and
- 403 (b) develop and submit for approval the LEA's process described in Subsection (3) to the
- 404 center.
- 405 (5)(a) The center shall review the LEA's process described in Subsection (3) and

- 406 approve the process or request that the LEA make changes to the submitted process.
- 407 (b) If the center requests changes to the LEA's submitted process, the LEA shall work
408 with the center to make necessary changes to receive final approval from the center.
- 409 (c) No later than June 30, 2025, the center shall provide final approval or denial of an
410 LEA's process.
- 411 (6) Before the start of the 2025-2026 school year, an LEA with an approved process as
412 described in Subsection (5) shall:
- 413 (a) ensure each school principal or the principal's designee attends a training that the
414 center creates regarding:
- 415 (i) how to effectively use the LEA's approved process to select and submit to the
416 center nominations for eligible teachers, including the corresponding tier
417 performance level; and
- 418 (ii) how to protect student and educator data privacy when submitting nominations
419 and applications, as described in Subsection (9)(b)(ii)[-] ;
- 420 (b) provide information to teachers within the LEA regarding the program and how the
421 school's principal or principal's designee will use the approved LEA process to make
422 nominations of eligible teachers;
- 423 (c) ensure each school principal or the principal's designee uses the LEA's approved
424 process to evaluate and select which teachers within the school to nominate as
425 eligible teachers, including the corresponding tier performance level; and
- 426 (d) as provided in Subsection (9), submit to the center a list of the nominated eligible
427 teachers for the center to consider.
- 428 (7) In assessing if a nominated teacher is an eligible teacher, the center shall create an
429 assessment process that:
- 430 (a) uses the methods described in Subsection (1)(b);
- 431 (b) calibrates the submissions an LEA submits to determine, for all nominated teachers
432 statewide, which teachers are eligible teachers, including the corresponding tier
433 performance level;
- 434 (c) may use additional criteria as determined by the center in consultation with
435 participating LEAs; and
- 436 (d) establishes a scoring rubric including the scores required for a designation in each
437 tier performance level.
- 438 (8)(a) The center shall collaborate with LEAs to create:
- 439 (i) selection and submission guidelines for:

- 440 (A) the approval of the LEA's process as described in Subsection (5); and
441 (B) the list of nominated eligible teachers described in Subsection (6);
442 (ii) methods to determine student growth and achievement measures for subject areas
443 that do not have standardized assessment data;
444 (iii) the weightings for each element of the assessment process described in
445 Subsection (7); and
446 (iv) the trainings described in this section.
- 447 (b) The center may provide program related technical assistance to an LEA.
- 448 (9)(a) An LEA shall:
- 449 (i) apply to the center on behalf of the nominated eligible teachers within the LEA
450 through a process and format that the center determines; and
451 (ii) ensure a school principal or the principal's designee reevaluates an eligible
452 teacher's designation under this section every three years.
- 453 (b) The center shall:
- 454 (i) create an application process for an LEA to submit the list of nominated eligible
455 teachers described in Subsection (9)(a);
456 (ii) coordinate with the state board in the creation of the application process described
457 in Subsection (9)(b)(i) to ensure that any sharing of student and educator data
458 during the application process:
459 (A) complies with the Family Educational Rights and Privacy Act, 34 C.F.R. Part
460 99;
461 (B) complies with Title 53E, Chapter 9, Student Privacy and Data Protection; and
462 (C) uses disclosure avoidance techniques, including aggregating and otherwise
463 de-identifying data;
464 (iii) no later than October 1, 2026, determine if a nominated teacher is an eligible
465 teacher through the process described in Subsection (7);
466 (iv) verify:
467 (A) the validity of the LEA's process and assessment of an eligible teacher as
468 described in Subsections (4) and (5); and
469 (B) the nominations described in Subsection (7) with the LEA and school
470 administrators;
471 (v) certify a list of eligible teachers, including the total amount of funding the LEA
472 receives for the LEA's eligible teachers; and
473 (vi) provide the list described in Subsection (9)(b)(iv) to the state board.

- 474 (10)(a) Subject to legislative appropriations, the state board shall:
- 475 (i) disburse funding to an LEA in the amount the center verifies that an LEA qualifies
- 476 to receive for salary supplements under this section; and
- 477 (ii)(A) except as provided in Subsection (10)(a)(ii)(B), allocate 1% of the funds
- 478 appropriated under this section to the center; and
- 479 (B) provide no more than \$500,000 to the center each fiscal year from the funds
- 480 described in Subsection (10)(a)(ii)(A).
- 481 (b) The annual salary supplement for an eligible teacher is:
- 482 (i) \$10,000 for a teacher in the top 5% of teachers;
- 483 (ii) \$5,000 for a teacher in the next 6%-10% of teachers; and
- 484 (iii) \$2,000 for a teacher in the next 11%-25% of teachers.
- 485 (c) If the eligible teacher is employed at a high poverty school, the eligible teacher shall
- 486 receive an additional salary supplement that is equal in amount to the eligible
- 487 teacher's salary supplement described in Subsection (10)(b).
- 488 (11)(a) An LEA shall:
- 489 (i) use the program funds to provide a salary supplement equal to the amount
- 490 specified in Subsection (10) for each eligible teacher in each tier performance
- 491 level; and
- 492 (ii) provide the salary supplement in an eligible teacher's regularly occurring
- 493 compensation in equal amounts through the contracted school years related to the
- 494 salary supplement award.
- 495 (b) An LEA:
- 496 (i) may use up to 4% of the money appropriated to the LEA for salary supplements to
- 497 cover administrative costs associated with implementing the program;
- 498 (ii) may use money appropriated to the LEA for the salary supplement for
- 499 employer-paid benefits; and
- 500 (iii) may not include a salary supplement received under this section:
- 501 (A) in a retirement calculation; or
- 502 (B) as part of retirement contributions.
- 503 (c) The salary supplement is not part of an eligible teacher's base pay, and is subject to
- 504 the eligible teacher's designation as an eligible teacher.
- 505 (12) Notwithstanding the provisions of this section, if the appropriation for the program is
- 506 insufficient to cover the costs associated with salary supplements, an LEA may
- 507 distribute the funds to each eligible teacher of the same tier of performance level on a

508 pro rata basis.

509 (13) The center and the state board shall collaborate regarding data sharing and other
510 relevant interactions to facilitate the successful administration of the program.

511 (14)(a) An eligible teacher that receives a salary supplement under the program has no
512 vested property right in the salary supplement or the designation as an eligible
513 teacher.

514 (b) An eligible teacher's salary supplement and designation under this section are void if
515 the school principal or principal's designee, LEA, or the center made or certified the
516 designation improperly.

517 (15)(a) Subject to prioritization of the Audit Subcommittee, unless the state board
518 contracts a private auditor in accordance with Subsection (15)(b), the Office of the
519 Legislative Auditor General established under Section 36-12-15 shall, in any fiscal
520 year:

521 (i) conduct an audit of the program including:

522 (A) an evaluation of the implementation of the program; and

523 (B) the efficacy of the program, including program outcomes; and

524 (ii) prepare and submit a written report for an audit described in this section in
525 accordance with Subsection 36-12-15[~~(4)(b)(ii)~~; (6)(b).

526 (b) Subject to legislative appropriations, the state board may contract with an external
527 auditor to perform the audit described in this Subsection (15).

528 (16)(a) The center shall report to the Education Interim Committee no later than the
529 2024 October meeting the following:

530 (i) the methodology and process the center develops to achieve the requirements of
531 Subsection (7);

532 (ii) relevant data and updates resulting from the collaborations described in
533 Subsection (8);

534 (iii) any recommendations for future legislation; and

535 (iv) data regarding salary supplement programs, including:

536 (A) different approaches used to reward teacher performance, including different
537 evaluation methods;

538 (B) research outlining the effectiveness and impact of different salary supplement
539 amounts on teacher retention; and

540 (C) other considerations for impactful salary supplement programs in relation to
541 teacher retention.

- 542 (b) Beginning November 1, 2026, the center shall provide an annual report to the
543 Education Interim Committee regarding:
- 544 (i) the statewide metrics used in accordance with Subsection (7);
 - 545 (ii) de-identified and aggregated data showing the number of:
 - 546 (A) salary supplements per school, including total number of eligible teachers in
547 each school;
 - 548 (B) eligible teachers in high poverty schools;
 - 549 (C) eligible teachers in each tier performance level;
 - 550 (D) eligible teachers in subject areas that do not have standardized assessments;
551 and
 - 552 (E) salary supplement denials per school, including the reasons for a denial;
 - 553 (iii) proportion of eligible teachers in:
 - 554 (A) school districts; and
 - 555 (B) charter schools; and
 - 556 (iv) teacher retention data for a school where an eligible teacher is employed.

557 **Section 4. Effective Date.**

558 This bill takes effect on May 7, 2025.