

Karen M. Peterson proposes the following substitute bill:

Excellence in Education and Leadership Supplement Amendments

2025 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Lincoln Fillmore

House Sponsor: Karen M. Peterson

LONG TITLE

General Description:

This bill amends existing timeline and appropriation requirements to the Excellence in Education and Leadership Supplement.

Highlighted Provisions:

This bill:

- amends existing timeline and appropriation requirements to the Excellence in Education and Leadership Supplement;
- requires the State Board of Education to obtain and house a web-based application portal; and
- makes technical changes.

Money Appropriated in this Bill:

This bill appropriates \$600,000 in operating and capital budgets for fiscal year 2026, all of which is from the various sources as detailed in this bill.

Other Special Clauses:

This bill provides a special effective date.

Utah Code Sections Affected:

AMENDS:

53F-2-526 (Effective upon governor's approval), as enacted by Laws of Utah 2024, Chapter 374

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

Section 1. Section **53F-2-526** is amended to read:

53F-2-526 (Effective upon governor's approval). Excellence in Education and Leadership Supplement.

(1) As used in this section:

(a) "Center" means the Center for the School of the Future at Utah State University

- 30 established in Section 53B-18-801.
- 31 (b) "Eligible teacher" means a teacher who is a top-performing teacher that the center
32 determines using an LEA's assessment methods, including:
- 33 (i) student growth or achievement measures;
- 34 (ii) professional evaluations;
- 35 (iii) parent or student surveys; and
- 36 (iv) other data-driven criteria the LEA establishes and the center verifies for validity.
- 37 (c) "Eligible teacher" includes an individual whom an LEA participating in the program
38 employs and who holds:
- 39 (i) a license the state board issues; and
- 40 (ii) a position that includes a current classroom teaching assignment.
- 41 (d) "High poverty school" means the same as the term is defined in Section 53F-2-513.
- 42 (e) "LEA" means:
- 43 (i) a school district;
- 44 (ii) a charter school;
- 45 (iii) the Utah Schools for the Deaf and the Blind; and
- 46 [(iii)] (iv) a regional education service agency.
- 47 (f) "Program" means the Excellence in Education and Leadership Supplement created in
48 Subsection (2).
- 49 (g) "Tier performance level" means the following levels of performance for a teacher in
50 comparison to all teachers the center determines in accordance with Subsection (7):
- 51 (i) the top 5% of teachers;
- 52 (ii) the next 6%-10% of teachers; and
- 53 (iii) the next 11%-25% of teachers.
- 54 (h) "Top-performing" means the top 25% of teachers in comparison to all teachers the
55 center determines using the methods described in Subsection (1)(b).
- 56 (2) Beginning July 1, 2024, there is created a five-year pilot program known as the
57 Excellence in Education and Leadership Supplement to provide a [salary supplement]
58 performance-based award to an eligible teacher in recognition for outstanding
59 instructional talent.
- 60 (3)(a) No later than December 31, 2024, an LEA shall declare the LEA's intent to
61 participate in the program to the center.
- 62 (b) If an LEA declares an intent to participate in the program, the LEA shall:
- 63 (i) develop a process for a school principal or the principal's designee to assess a

- 64 teacher's performance consistent with this section to determine if a teacher is an
65 eligible teacher, including the corresponding tier performance level; and
66 (ii) create an appeals process for an employee who is not nominated to be an eligible
67 teacher.
- 68 (4) No later than ~~[April 1]~~ July 1, 2025, an LEA shall:
- 69 (a) attend a training that the center creates regarding the guidelines for developing a
70 process described in Subsection (3); and
71 (b) develop and submit for approval the LEA's process described in Subsection (3) to the
72 center.
- 73 (5)(a) The center shall review the LEA's process described in Subsection (3) and
74 approve the process or request that the LEA make changes to the submitted process.
- 75 (b) If the center requests changes to the LEA's submitted process, the LEA shall work
76 with the center to make necessary changes to receive final approval from the center.
- 77 (c) No later than ~~[June]~~ August ~~[30]~~ 15, 2025, the center shall provide final approval or
78 denial of an LEA's process.
- 79 (6) Before ~~[the start of the 2025-2026 school year]~~ August 31, 2025, an LEA with an
80 approved process as described in Subsection (5) shall:
- 81 (a) ensure each school principal or the principal's designee attends a training that the
82 center creates regarding:
- 83 (i) how to effectively use the LEA's approved process to select and submit to the
84 center nominations for eligible teachers, including the corresponding tier
85 performance level; and
86 (ii) how to protect student and educator data privacy when submitting nominations
87 and applications, as described in Subsection (9)(b)(ii).
- 88 (b) provide information to teachers within the LEA regarding the program and how the
89 school's principal or principal's designee will use the approved LEA process to make
90 nominations of eligible teachers; and
- 91 (c) ensure each school principal or the principal's designee ~~[uses]~~ is able to use the LEA's
92 approved process to evaluate and select which teachers within the school to nominate
93 as eligible teachers, including the corresponding tier performance level~~[-and]~~ .
- 94 ~~[(d) as provided in Subsection (9), submit to the center a list of the nominated eligible~~
95 ~~teachers for the center to consider.]~~
- 96 (7) In assessing if a nominated teacher is an eligible teacher, the center shall create an
97 assessment process that:

- (a) uses the methods described in Subsection (1)(b);
- (b) calibrates the submissions an LEA submits to determine, for all nominated teachers statewide, which teachers are eligible teachers, including the corresponding tier performance level;
- (c) may use additional criteria as determined by the center in consultation with participating LEAs; and
- (d) establishes a scoring rubric including the scores required for a designation in each tier performance level.

(8)(a) The center shall collaborate with LEAs to create:

- (i) selection and submission guidelines for:
 - (A) the approval of the LEA's process as described in Subsection (5); and
 - (B) the list of nominated eligible teachers described in Subsection (6);
- (ii) methods to determine student growth and achievement measures for subject areas that do not have standardized assessment data;
- (iii) the weightings for each element of the assessment process described in Subsection (7); and
- (iv) the trainings described in this section.

(b) In addition to the requirements in Subsection (8)(a), an LEA may include the following if the LEA collaborates with the center to do so:

- (i) methods to determine student growth and achievement measures for subject areas that have standardized assessment data; and
- (ii) methods for combining measures described in Subsections (8)(a)(ii) and (8)(b)(i) as appropriate to assure compatibility across all subject areas.

~~[(b)]~~ (c) The center may provide program related technical assistance to an LEA.

(9)(a) An LEA shall:

- (i) apply to the center on behalf of the nominated eligible teachers within the LEA through a process and format that the center determines; and
- (ii) ensure a school principal or the principal's designee reevaluates an eligible teacher's designation under this section every three years.

(b) The center shall:

- (i) create an application process for an LEA to submit the list of nominated eligible teachers described in Subsection (9)(a), including a deadline for submission of the list of nominated teachers to the center;
- (ii) coordinate with the state board in the creation of the application process described

- 132 in Subsection (9)(b)(i) to ensure that any sharing of student and educator data
133 during the application process:
- 134 (A) complies with the Family Educational Rights and Privacy Act, 34 C.F.R. Part
135 99;
- 136 (B) complies with Title 53E, Chapter 9, Student Privacy and Data Protection; and
137 (C) uses disclosure avoidance techniques, including aggregating and otherwise
138 de-identifying data;
- 139 (iii) no later than October 1, 2026, determine if a nominated teacher is an eligible
140 teacher through the process described in Subsection (7);
- 141 (iv) verify:
- 142 (A) the validity of the LEA's process and assessment of an eligible teacher as
143 described in Subsections (4) and (5); and
144 (B) the nominations described in Subsection (7) with the LEA and school
145 administrators;
- 146 (v) certify a list of eligible teachers, including the total amount of funding the LEA
147 receives for the LEA's eligible teachers; and
148 (vi) provide the list described in Subsection ~~[(9)(b)(iv)]~~ (9)(b)(v) to the state board.
- 149 (10)(a) Subject to legislative appropriations, the state board shall:
- 150 (i) within 45 days of receiving the list described in Subsection (9)(b)(v) from the
151 center, disburse funding to an LEA in the amount the center verifies that an LEA
152 qualifies to receive for [salary supplement] performance-based awards[s] under
153 this section;[-and]
- 154 (ii) ~~[(A) except as provided in Subsection (10)(a)(ii)(B),]~~ allocate [1%] up to 4.25%
155 of the funds appropriated under this section to the center; and
156 ~~[(B) provide no more than \$500,000 to the center each fiscal year from the funds~~
157 ~~described in Subsection (10)(a)(ii)(A).]~~
- 158 (iii) develop a method to compensate an LEA for program administration that:
- 159 (A) does not exceed 4% of the total funds appropriated under this section;
160 (B) first compensates an LEA for fixed efforts associated with development and
161 management of the LEA's teacher performance-based award program; and
162 (C) allocates any remaining balance to compensate an LEA for variable efforts
163 associated with ongoing program administration and management.
- 164 (b) The annual ~~[salary supplement]~~ performance-based award for an eligible teacher is:
- 165 (i) \$10,000 for a teacher in the top 5% of teachers;

- 166 (ii) \$5,000 for a teacher in the next 6%-10% of teachers; and
167 (iii) \$2,000 for a teacher in the next 11%-25% of teachers.
- 168 (c) If the eligible teacher is employed at a high poverty school, the eligible teacher shall
169 receive an additional ~~[salary supplement]~~ performance-based award that is equal in
170 amount to the eligible teacher's ~~[salary supplement]~~ performance-based award
171 described in Subsection (10)(b).
- 172 (11)(a) An LEA shall:
- 173 (i) within 45 days of receiving the LEA's funds from the state board for all eligible
174 teachers, use the program funds to provide a [salary supplement]
175 performance-based award equal to the amount specified in Subsection (10) for
176 each eligible teacher in each tier performance level; and
- 177 (ii) provide the ~~[salary supplement]~~ performance-based award in an eligible teacher's
178 regularly occurring compensation in equal amounts through the contracted school
179 years related to the ~~[salary supplement]~~ performance-based award.
- 180 (b) An LEA:
- 181 ~~[(i) may use up to 4% of the money appropriated to the LEA for salary supplements~~
182 ~~to cover administrative costs associated with implementing the program;]~~
- 183 ~~[(ii)]~~ (i) may use money appropriated to the LEA for the ~~[salary supplement]~~
184 performance-based award for employer-paid benefits;~~[-and]~~
- 185 ~~[(iii)]~~ (ii) may not include a ~~[salary supplement]~~ performance-based award received
186 under this section:
- 187 (A) in a retirement calculation; or
188 (B) as part of retirement contributions~~[-]~~ ; and
- 189 (iii) may not reduce an eligible teacher's award to ensure the LEA maintains the
190 funds described in Subsection (10)(a)(iii).
- 191 (c) The ~~[salary supplement]~~ performance-based award is not part of an eligible teacher's
192 base pay, and is subject to the eligible teacher's designation as an eligible teacher.
- 193 (12) ~~[Notwithstanding the provisions of this section]~~ Except as provided for in Subsection
194 (11), if the appropriation for the program is insufficient to cover the costs associated
195 with [salary supplement] performance-based awards, an LEA may distribute the funds to
196 each eligible teacher of the same tier of performance level on a pro rata basis.
- 197 (13)(a)(i) ~~[The center and the state board shall collaborate regarding data sharing and~~
198 ~~other relevant interactions to facilitate the successful administration of the~~
199 ~~program.]~~ In accordance with state and federal privacy laws, the state board shall

provide the following data to the center:

(A) relevant student achievement data;

(B) relevant teacher data; and

(C) any other relevant data as the center determines.

(ii) If the center needs data from a non-participating LEA for purposes of the program, the state board:

(A) shall provide the data; and

(B) may provide the data in a de-identified manner, including providing an individual teacher's or student's data with a unique identifier that is not associated with the teacher's or student's name or school provided identification number.

(b) The state board shall:

(i) consult with the center; and

(ii) contract with a third party to obtain and house a secure web-based portal for authorized LEA and state board users to:

(A) allow a teacher to track the teacher's student's academic achievement and growth and assess within the teacher's LEA the teacher's individual progress toward becoming an eligible teacher nominee;

(B) report results of the chosen model or models at the district, school, and subject or grade levels;

(C) provide diagnostic data showing the growth and achievement trends for different groups of students associated with a teacher, school, charter system, or district; and

(D) provide resources for teachers to interpret the model results, training modules, and receive or request technical support.

(c) The state board shall use up to 2.5% of the total funds appropriated under this section for the web-based access portal described in Subsection (13)(b).

(14)(a) An eligible teacher that receives a [salary-supplement] performance-based award under the program has no vested property right in the [salary-supplement] performance-based award or the designation as an eligible teacher.

(b) An eligible teacher's [salary-supplement] performance-based award and designation under this section are void if the school principal or principal's designee, LEA, or the center made or certified the designation improperly.

(15)(a) Subject to prioritization of the Audit Subcommittee, unless the state board

contracts a private auditor in accordance with Subsection (15)(b), the Office of the Legislative Auditor General established under Section 36-12-15 shall, in any fiscal year:

(i) conduct an audit of the program including:

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

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

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

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

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

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

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

(iii) any recommendations for future legislation; and

(iv) data regarding ~~[salary supplement]~~ performance-based award programs, including:

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

(B) research outlining the effectiveness and impact of different ~~[salary supplement]~~ performance-based award amounts on teacher retention; and

(C) other considerations for impactful ~~[salary supplement]~~ performance-based award programs in relation to teacher retention.

(b) Beginning November 1, 2026, the center shall provide an annual report to the Education Interim Committee regarding:

(i) the statewide metrics used in accordance with Subsection (7);

(ii) de-identified and aggregated data showing the number of:

(A) ~~[salary supplement]~~ performance-based awards per school, including total number of eligible teachers in each school;

(B) eligible teachers in high poverty schools;

(C) eligible teachers in each tier performance level;

(D) eligible teachers in subject areas that do not have standardized assessments; and

(E) ~~[salary supplement]~~ performance-based award denials per school, including the reasons for a denial;

(iii) proportion of eligible teachers in:

(A) school districts; and

(B) charter schools; and

(iv) teacher retention data for a school where an eligible teacher is employed.

Section 2. **FY 2026 Appropriations.**

The following sums of money are appropriated for the fiscal year beginning July 1, 2025, and ending June 30, 2026. These are additions to amounts previously appropriated for fiscal year 2026.

Subsection 2(a). **Operating and Capital Budgets**

Under the terms and conditions of Title 63J, Chapter 1, Budgetary Procedures Act, the Legislature appropriates the following sums of money from the funds or accounts indicated for the use and support of the government of the state of Utah.

ITEM 1 To State Board of Education - Minimum School Program - Related to Basic School Programs

From Public Education Economic Stabilization

Restricted Account, One-time

600,000

Schedule of Programs:

Effective Teachers in High Poverty Schools

Incentive Program

600,000

Section 3. **Effective Date.**

This bill takes effect:

(1) except as provided in Subsection (2), May 7, 2025; or

(2) if approved by two-thirds of all members elected to each house:

(a) upon approval by the governor;

(b) without the governor's signature, the day following the constitutional time limit of Utah Constitution, Article VII, Section 8; or

(c) in the case of a veto, the date of veto override.