

Representative John Dougall proposes the following substitute bill:

USE OF MINIMUM SCHOOL PROGRAM

NONLAPSING BALANCES

2008 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Howard A. Stephenson

House Sponsor: John Dougall

LONG TITLE

General Description:

This bill requires the State Board of Education to allocate certain Minimum School Program nonlapsing balances.

Highlighted Provisions:

This bill:

- ▶ requires the State Board of Education to allocate Minimum School Program nonlapsing balances to provide:
 - one-time signing bonuses for new educators; and
 - one-time performance-based compensation; and
- ▶ makes technical corrections.

Monies Appropriated in this Bill:

This bill appropriates:

- ▶ \$25,000,000 from Minimum School Program nonlapsing balances for fiscal year 2008-09 only.

Other Special Clauses:

None

Utah Code Sections Affected:



26 AMENDS:

27 **53A-17a-148**, as last amended by Laws of Utah 2006, Chapter 354



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

30 Section 1. Section **53A-17a-148** is amended to read:

31 **53A-17a-148. Use of nonlapsing balances.**

32 (1) As used in this section:

33 (a) "Education entity" means a school district, charter school, or the Utah Schools for
34 the Deaf and the Blind.

35 (b) (i) "New educator" means a person who:

36 (A) is an educator as defined in Section 53A-17a-153;

37 (B) is hired by an education entity to begin teaching during the 2008-09 school year;

38 (C) did not work in this state as an educator for an education entity during the 2007-08
39 school year; and

40 (D) has never received a signing bonus in this state.

41 (ii) A new educator may include a person who is returning to education after one or
42 more years of interrupted service.

43 (2) The State Board of Education may use Minimum School Program nonlapsing
44 balances to restore special education funding as follows:

45 ~~[(1)]~~ (a) up to \$902,538 is authorized in fiscal year 2005-06; and

46 ~~[(2)]~~ (b) up to \$902,538 is authorized in fiscal year 2006-07.

47 (3) The State Board of Education shall use Minimum School Program nonlapsing
48 balances in fiscal year 2008-09 as follows:

49 (a) \$5,000,000 shall be allocated to education entities to provide one-time signing
50 bonuses for new educators as provided under Subsection (4), including money for the
51 following employer-paid benefits:

52 (i) retirement;

53 (ii) workers' compensation;

54 (iii) Social Security; and

55 (iv) Medicare; and

56 (b) \$20,000,000 shall be allocated to education entities to provide one-time

57 performance-based compensation as provided under Subsection (5).

58 (4) (a) Subject to the availability of funding, education entities shall provide a one-time
59 signing bonus of \$1,000 to a new educator.

60 (b) If the total cost of bonuses and employer-paid benefits under Subsection (4)(a) for
61 all education entities exceeds \$5,000,000, all bonuses shall be reduced pro rata so that the total
62 cost does not exceed \$5,000,000.

63 (c) To qualify for a bonus, a new educator shall:

64 (i) be hired prior to October 1, 2008; and

65 (ii) work for at least 90 days for the education entity.

66 (5) (a) The \$20,000,000 for performance-based compensation shall be allocated to
67 qualifying education entities on a per pupil basis.

68 (b) (i) To receive an allocation under Subsection (5)(a), an education entity shall:

69 (A) submit, prior to July 1, 2008, a written performance-based compensation plan to
70 the State Board of Education that conforms to guidelines established by the State Board of
71 Education in rule; and

72 (B) receive approval of the plan by the State Board of Education.

73 (ii) The performance-based compensation plan shall provide specific information about
74 how the education entity intends to spend its allocation, including:

75 (A) who is eligible for the performance-based compensation;

76 (B) criteria for awarding performance-based compensation;

77 (C) the instruments or assessments that may be used to measure or evaluate
78 performance;

79 (D) the amount of performance-based compensation that may be awarded; and

80 (E) whether the performance-based compensation will be based on individual, team, or
81 school-based performance, or a combination of those.

82 (iii) The State Board of Education shall send the approved plans to the Executive
83 Appropriations Committee and the Education Interim Committee by August 1, 2008 for review
84 and comment.

85 (c) (i) An education entity shall award performance-based compensation from monies
86 distributed under this section for employee performance during the 2008-09 school year.

87 (ii) Performance-based compensation monies may only be used in accordance with an

88 education entity's performance-based compensation plan.

89 (iii) If an education entity uses performance-based compensation monies for purposes
90 other than those stated in this Subsection (5) and its performance-based compensation plan, the
91 education entity shall reimburse the monies that were improperly used.

92 (d) An education entity that awards performance-based compensation from monies
93 distributed under this section shall report the following information to the Executive
94 Appropriations Committee by June 30, 2009:

95 (i) the number of employees who received performance-based compensation;

96 (ii) the total number of employees;

97 (iii) the average performance-based compensation awarded to employees; and

98 (iv) the maximum performance-based compensation awarded to an employee.

99 (6) The State Board of Education may make rules as necessary to administer this
100 section, in accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act.

Fiscal Note**S.B. 281 1st Sub. (Green) - Use of Minimum School Program Nonlapsing Balances**

2008 General Session

State of Utah

State Impact

Enactment of this bill requires the State Board of Education to use \$25,000,000 in Minimum School Program non-lapsing balances to provide grants and bonuses as outlined in the bill.

Individual, Business and/or Local Impact

Enactment of this bill likely will not result in direct, measurable costs and/or benefits for individuals, businesses, or local governments.
