

1 **MARKET INFORMED COMPENSATION FOR TEACHERS**

2024 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Lincoln Fillmore

House Sponsor: Karen M. Peterson

3 **LONG TITLE**

4 **General Description:**

5 This bill amends and creates programs to enhance teacher salary supplement opportunities.

6 **Highlighted Provisions:**

7 This bill:

8 ▸ repeals and reenacts the Teacher Salary Supplement Program as the Salary Supplement
9 for Highly Needed Educators Program;

10 ▸ amends the qualifying teaching areas for the Salary Supplement for Highly Needed
11 Educators program to be a high-needs area;

12 ▸ establishes the Excellence in Education and Leadership Supplement (the program);

13 ▸ describes the eligibility requirements for the program;

14 ▸ requires a local education agency (LEA) to create an assessment process to identify
15 eligible teachers;

16 ▸ requires the Center for the School of the Future to validate an LEA's determinations of
17 teacher eligibility;

18 ▸ requires the State Board of Education to disburse funds for the program; and

19 ▸ makes technical changes.

20 **Money Appropriated in this Bill:**

21 This bill appropriates in fiscal year 2025:

22 ▸ to State Board of Education - State Board and Administrative Operations - Excellence in
23 Education and Leadership Supplement as a one-time appropriation:

- 24 • from the Public Education Economic Stabilization Restricted Account, One-time,
 \$150,000,000

25 **Other Special Clauses:**

26 This bill provides a special effective date.

27 **Utah Code Sections Affected:**

28 ENACTS:

29 **53F-2-526 (Effective 07/01/24)**, Utah Code Annotated 1953

30 REPEALS AND REENACTS:

31 **53F-2-504 (Effective 07/01/25)**, as last amended by Laws of Utah 2023, Chapter 373

32

33 *Be it enacted by the Legislature of the state of Utah:*34 Section 1. Section **53F-2-504** is repealed and reenacted to read:35 **53F-2-504 (Effective 07/01/25). Salary Supplement for Highly Needed Educators.**36 (1) As used in this section:37 (a) "Eligible teacher" means a teacher who:38 (i) has a qualifying assignment;39 (ii) qualifies for the teacher's assignment in accordance with an LEA's policy
40 described in Subsection (2); and41 (iii) (A) is a new employee; or42 (B) has not received an unsatisfactory rating on the teacher's three most recent
43 evaluations.44 (b) "High-needs area" means at least two and up to five teaching assignments that an
45 LEA designates in a policy as challenging to fill or retain.46 (c) "Program" means the Salary Supplement for Highly Needed Educators program.47 (d) "Qualifying assignment" means a teacher who is assigned to a high-needs area.48 (2) (a) An LEA shall create a policy describing the administration of the Salary49 Supplement for Highly Needed Educators program within the LEA, including:50 (i) identifying the LEA's high-needs areas;51 (ii) the amount of the salary supplement;52 (iii) establishing an appeals process for a teacher to follow if the teacher does not
53 receive a salary supplement, including:54 (A) allowing a teacher to appeal eligibility as an eligible teacher with a qualifying
55 assignment on the basis that the teacher has a teaching assignment that is
56 substantially equivalent to a high-needs area; and57 (B) requiring a teacher to provide transcripts and other documentation to the LEA
58 governing board in order for the LEA governing board to determine if the
59 teacher is an eligible teacher with a qualifying teaching background;60 (iv) a process for determining if a teacher is an eligible teacher, including a

- 61 verification process; and
- 62 (v) a process for certifying a list of eligible teachers to be awarded a salary
- 63 supplement under this section.
- 64 (b) An LEA shall update the policy described in Subsection (2)(a) annually and provide
- 65 notice of any changes to teachers within the LEA.
- 66 (3) Subject to legislative appropriations and an LEA having the policy described in
- 67 Subsection (2), the state board shall allocate funding appropriated for the Salary
- 68 Supplements for Highly Needed Educators program in accordance with this section by:
- 69 (a) for charter schools:
- 70 (i) distributing an amount that is equal to the product of:
- 71 (A) charter school enrollment on October 1 in the prior year, or, for a new charter
- 72 school, projected enrollment for a charter school in the charter school's first
- 73 year of operations, divided by enrollment on October 1 in public schools
- 74 statewide in the prior year; and
- 75 (B) the total amount available for distribution; and
- 76 (ii) allocating to each charter school:
- 77 (A) an equally divided portion of 20% of the amount described in Subsection
- 78 (3)(a)(i); and
- 79 (B) 80% of the amount described in Subsection (3)(a)(i) on a per-student basis; and
- 80 (b) for school districts:
- 81 (i) distributing the remainder of funds available for distribution after the distribution
- 82 to charter schools under Subsection (3)(a)(i) by allocating to each school district:
- 83 (A) an equally divided portion of 20% of the amount described in Subsection
- 84 (3)(b)(i); and
- 85 (B) 80% of the amount described in Subsection (3)(b)(i) on a per-student basis.
- 86 (c) An LEA shall use funds described in Subsections (3)(a) and (3)(b) to pay the LEA's
- 87 proportional part of an eligible teacher's salary supplement if:
- 88 (i) the eligible teacher is an employee of a regional education service agency, as
- 89 defined in Section 53G-4-410; and
- 90 (ii) the LEA is a member of the regional education service agency that employs the
- 91 eligible teacher.
- 92 (4) (a) An LEA shall include employer-paid benefits in the amount of each salary
- 93 supplement.
- 94 (b) Employer-paid benefits are an addition to the salary supplement amount established

95 by an LEA under Subsection (2).

96 (5) The salary supplement is part of an eligible teacher's base pay, subject to eligible
 97 teacher's qualification as an eligible teacher every year, semester, or quarter.

98 (6) The state board shall annually report to the Education Interim Committee:

99 (a) which teaching assignments LEAs have designated as high-needs; and

100 (b) the number of eligible teachers.

101 Section 2. Section **53F-2-526** is enacted to read:

102 **53F-2-526 (Effective 07/01/24). Excellence in Education and Leadership**

103 **Supplement.**

104 (1) As used in this section:

105 (a) "Center" means the Center for the School of the Future at Utah State University
 106 established in Section 53B-18-801.

107 (b) "Eligible teacher" means a teacher who is a top-performing teacher that the center
 108 determines using an LEA's assessment methods, including:

109 (i) student growth or achievement measures;

110 (ii) professional evaluations;

111 (iii) parent surveys; and

112 (iv) other data-driven criteria the LEA establishes and the center verifies for validity.

113 (c) "Eligible teacher" includes an individual whom an LEA participating in the program
 114 employs and who holds:

115 (i) a license the state board issues; and

116 (ii) a position that includes a current classroom teaching assignment.

117 (d) "High poverty school" means the same as the term is defined in Section 53F-2-513.

118 (e) "LEA" means:

119 (i) a school district;

120 (ii) charter school; and

121 (iii) a regional education service agency.

122 (f) "Program" means the Excellence in Education and Leadership Supplement created in
 123 Subsection (2).

124 (g) "Tier performance level" means the following levels of performance for a teacher in
 125 comparison to all teachers the center determines in accordance with Subsection (7):

126 (i) the top 5% of teachers;

127 (ii) the next 6%-10% of teachers; and

128 (iii) the next 11%-25% of teachers.

- 129 (h) "Top-performing" means the top 25% of teachers in comparison to all teachers the
130 center determines using the methods described in Subsection (1)(b).
- 131 (2) Beginning July 1, 2024, there is created a five-year pilot program known as the
132 Excellence in Education and Leadership Supplement to provide a salary supplement to
133 an eligible teacher in recognition for outstanding instructional talent.
- 134 (3) (a) No later than December 31, 2024, an LEA shall declare the LEA's intent to
135 participate in the program to the center.
- 136 (b) If an LEA declares an intent to participate in the program, the LEA shall:
- 137 (i) develop a process for a school principal or the principal's designee to assess a
138 teacher's performance consistent with this section to determine if a teacher is an
139 eligible teacher, including the corresponding tier performance level; and
- 140 (ii) create an appeals process for an employee who is not nominated to be an eligible
141 teacher.
- 142 (4) No later than April 1, 2025, an LEA shall:
- 143 (a) attend a training that the center creates regarding the guidelines for developing a
144 process described in Subsection (3); and
- 145 (b) develop and submit for approval the LEA's process described in Subsection (3) to the
146 center.
- 147 (5) (a) The center shall review the LEA's process described in Subsection (3) and
148 approve the process or request that the LEA make changes to the submitted process.
- 149 (b) If the center requests changes to the LEA's submitted process, the LEA shall work
150 with the center to make necessary changes to receive final approval from the center.
- 151 (c) No later than June 30, 2025, the center shall provide final approval or denial of an
152 LEA's process.
- 153 (6) Before the start of the 2025-2026 school year, an LEA with an approved process as
154 described in Subsection (5) shall:
- 155 (a) ensure each school principal or the principal's designee attends a training that the
156 center creates regarding:
- 157 (i) how to effectively use the LEA's approved process to select and submit to the
158 center nominations for eligible teachers, including the corresponding tier
159 performance level; and
- 160 (ii) how to protect student and educator data privacy when submitting nominations
161 and applications, as described in Subsection (9)(b)(ii).
- 162 (b) provide information to teachers within the LEA regarding the program and how the

163 school's principal or principal's designee will use the approved LEA process to make
164 nominations of eligible teachers;

165 (c) ensure each school principal or the principal's designee uses the LEA's approved
166 process to evaluate and select which teachers within the school to nominate as
167 eligible teachers, including the corresponding tier performance level; and

168 (d) as provided in Subsection (9), submit to the center a list of the nominated eligible
169 teachers for the center to consider.

170 (7) In assessing if a nominated teacher is an eligible teacher, the center shall create an
171 assessment process that:

172 (a) uses the methods described in Subsection (1)(b);

173 (b) calibrates the submissions an LEA submits to determine, for all nominated teachers
174 statewide, which teachers are eligible teachers, including the corresponding tier
175 performance level;

176 (c) may use additional criteria as determined by the center in consultation with
177 participating LEAs; and

178 (d) establishes a scoring rubric including the scores required for a designation in each
179 tier performance level.

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

181 (i) selection and submission guidelines for:

182 (A) the approval of the LEA's process as described in Subsection (5); and

183 (B) the list of nominated eligible teachers described in Subsection (6);

184 (ii) methods to determine student growth and achievement measures for subject areas
185 that do not have standardized assessment data;

186 (iii) the weightings for each element of the assessment process described in
187 Subsection (7); and

188 (iv) the trainings described in this section.

189 (b) The center may provide program related technical assistance to an LEA.

190 (9) (a) An LEA shall:

191 (i) apply to the center on behalf of the nominated eligible teachers within the LEA
192 through a process and format that the center determines; and

193 (ii) ensure a school principal or the principal's designee reevaluates an eligible
194 teacher's designation under this section every three years.

195 (b) The center shall:

196 (i) create an application process for an LEA to submit the list of nominated eligible

- 197 teachers described in Subsection (9)(a);
- 198 (ii) coordinate with the state board in the creation of the application process described
- 199 in Subsection (9)(b)(i) to ensure that any sharing of student and educator data
- 200 during the application process:
- 201 (A) complies with the Family Educational Rights and Privacy Act, 34 C.F.R. Part
- 202 99;
- 203 (B) complies with Title 53E, Chapter 9, Student Privacy and Data Protection; and
- 204 (C) uses disclosure avoidance techniques, including aggregating and otherwise
- 205 de-identifying data;
- 206 (iii) no later than October 1, 2026, determine if a nominated teacher is an eligible
- 207 teacher through the process described in Subsection (7);
- 208 (iv) verify:
- 209 (A) the validity of the LEA's process and assessment of an eligible teacher as
- 210 described in Subsections (4) and (5); and
- 211 (B) the nominations described in Subsection (7) with the LEA and school
- 212 administrators;
- 213 (v) certify a list of eligible teachers, including the total amount of funding the LEA
- 214 receives for the LEA's eligible teachers; and
- 215 (vi) provide the list described in Subsection (9)(b)(iv) to the state board.
- 216 (10) (a) Subject to legislative appropriations, the state board shall:
- 217 (i) disburse funding to an LEA in the amount the center verifies that an LEA qualifies
- 218 to receive for salary supplements under this section; and
- 219 (ii) (A) except as provided in Subsection (10)(a)(ii)(B), allocate 1% of the funds
- 220 appropriated under this section to the center; and
- 221 (B) provide no more than \$500,000 to the center each fiscal year from the funds
- 222 described in Subsection (10)(a)(ii)(A).
- 223 (b) The annual salary supplement for an eligible teacher is:
- 224 (i) \$10,000 for a teacher in the top 5% of teachers;
- 225 (ii) \$5,000 for a teacher in the next 6%-10% of teachers; and
- 226 (iii) \$2,000 for a teacher in the next 11%-25% of teachers.
- 227 (c) If the eligible teacher is employed at a high poverty school, the eligible teacher shall
- 228 receive an additional salary supplement that is equal in amount to the eligible
- 229 teacher's salary supplement described in Subsection (10)(b).
- 230 (11) (a) An LEA shall:

- 231 (i) use the program funds to provide a salary supplement equal to the amount
232 specified in Subsection (10) for each eligible teacher in each tier performance
233 level; and
- 234 (ii) provide the salary supplement in an eligible teacher's regularly occurring
235 compensation in equal amounts through the contracted school years related to the
236 salary supplement award.
- 237 (b) An LEA:
- 238 (i) may use up to 4% of the money appropriated to the LEA for salary supplements to
239 cover administrative costs associated with implementing the program;
- 240 (ii) may use money appropriated to the LEA for the salary supplement for
241 employer-paid benefits; and
- 242 (iii) may not include a salary supplement received under this section:
- 243 (A) in a retirement calculation; or
- 244 (B) as part of retirement contributions.
- 245 (c) The salary supplement is not part of an eligible teacher's base pay, and is subject to
246 the eligible teacher's designation as an eligible teacher.
- 247 (12) Notwithstanding the provisions of this section, if the appropriation for the program is
248 insufficient to cover the costs associated with salary supplements, an LEA may
249 distribute the funds to each eligible teacher of the same tier of performance level on a
250 pro rata basis.
- 251 (13) The center and the state board shall collaborate regarding data sharing and other
252 relevant interactions to facilitate the successful administration of the program.
- 253 (14) (a) An eligible teacher that receives a salary supplement under the program has no
254 vested property right in the salary supplement or the designation as an eligible
255 teacher.
- 256 (b) An eligible teacher's salary supplement and designation under this section are void if
257 the school principal or principal's designee, LEA, or the center made or certified the
258 designation improperly.
- 259 (15) (a) Subject to prioritization of the Audit Subcommittee, unless the state board
260 contracts a private auditor in accordance with Subsection (15)(b), the Office of the
261 Legislative Auditor General established under Section 36-12-15 shall, in any fiscal
262 year:
- 263 (i) conduct an audit of the program including:
- 264 (A) an evaluation of the implementation of the program; and

- 265 (B) the efficacy of the program, including program outcomes; and
266 (ii) prepare and submit a written report for an audit described in this section in
267 accordance with Subsection 36-12-15(4)(b)(ii).
- 268 (b) Subject to legislative appropriations, the state board may contract with an external
269 auditor to perform the audit described in this Subsection (15).
- 270 (16) (a) The center shall report to the Education Interim Committee no later than the
271 2024 October meeting the following:
- 272 (i) the methodology and process the center develops to achieve the requirements of
273 Subsection (7);
- 274 (ii) relevant data and updates resulting from the collaborations described in
275 Subsection (8);
- 276 (iii) any recommendations for future legislation; and
277 (iv) data regarding salary supplement programs, including:
- 278 (A) different approaches used to reward teacher performance, including different
279 evaluation methods;
- 280 (B) research outlining the effectiveness and impact of different salary supplement
281 amounts on teacher retention; and
- 282 (C) other considerations for impactful salary supplement programs in relation to
283 teacher retention.
- 284 (b) Beginning November 1, 2026, the center shall provide an annual report to the
285 Education Interim Committee regarding:
- 286 (i) the statewide metrics used in accordance with Subsection (7);
287 (ii) de-identified and aggregated data showing the number of:
- 288 (A) salary supplements per school, including total number of eligible teachers in
289 each school;
- 290 (B) eligible teachers in high poverty schools;
291 (C) eligible teachers in each tier performance level;
292 (D) eligible teachers in subject areas that do not have standardized assessments;
293 and
- 294 (E) salary supplement denials per school, including the reasons for a denial;
- 295 (iii) proportion of eligible teachers in:
- 296 (A) school districts; and
297 (B) charter schools; and
- 298 (iv) teacher retention data for a school where an eligible teacher is employed.

299 Section 3. **FY 2025 Appropriation.**

300 The following sums of money are appropriated for the fiscal year beginning July
301 1, 2024, and ending June 30, 2025. These are additions to amounts previously
302 appropriated for fiscal year 2025.

303 Subsection 3(a) **Operating and Capital Budgets**

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

307 ITEM 1 To State Board of Education - State Board and Administrative Operations

308 From Public Education Economic Stabilization

309 Restricted Account, One-time \$150,000,000

310 Schedule of Programs:

311 Excellence in Education and Leadership Supplement \$150,000,000

312 Section 4. **Effective date.**

313 (1) Except as provided in Subsection (2), this bill takes effect on July 1, 2024.

314 (2) The actions affecting Section 53F-2-504 take effect on July 1, 2025.