

Senator Lincoln Fillmore proposes the following substitute bill:

1 **MARKET INFORMED COMPENSATION FOR TEACHERS**

2 2024 GENERAL SESSION

3 STATE OF UTAH

4 **Chief Sponsor: Lincoln Fillmore**

5 House Sponsor: _____

7 **LONG TITLE**

8 **General Description:**

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

11 **Highlighted Provisions:**

12 This bill:

- 13 ▶ repeals and reenacts the Teacher Salary Supplement Program as the Salary
14 Supplement for Highly Needed Educators Program;
- 15 ▶ amends the qualifying teaching areas for the Salary Supplement for Highly Needed
16 Educators program to be a high-needs area;
- 17 ▶ establishes the Excellence in Education and Leadership Supplement (the program);
- 18 ▶ describes the eligibility requirements for the program;
- 19 ▶ requires a local education agency (LEA) to create an assessment process to identify
20 eligible teachers;
- 21 ▶ requires the Center for the School of the Future to validate an LEA's determinations
22 of teacher eligibility;
- 23 ▶ requires the State Board of Education to disburse funds for the program; and
- 24 ▶ makes technical changes.

25 **Money Appropriated in this Bill:**



26 This bill appropriates in fiscal year 2025:
 27 ▶ to State Board of Education - State Board and Administrative Operations -
 28 Excellence in Education and Leadership Supplement as a one-time appropriation:
 29 • from the Public Education Economic Stabilization Restricted Account,
 30 One-time, \$200,000,000

31 **Other Special Clauses:**

32 This bill provides a special effective date.

33 **Utah Code Sections Affected:**

34 ENACTS:

35 **53F-2-526**, Utah Code Annotated 1953

36 REPEALS AND REENACTS:

37 **53F-2-504**, as last amended by Laws of Utah 2023, Chapter 373



38
39 *Be it enacted by the Legislature of the state of Utah:*

40 Section 1. Section **53F-2-504** is repealed and reenacted to read:

41 **53F-2-504. Salary Supplement for Highly Needed Educators.**

42 (1) As used in this section:

43 (a) "Eligible teacher" means a teacher who:

44 (i) has a qualifying assignment;

45 (ii) qualifies for the teacher's assignment in accordance with an LEA's policy described

46 in Subsection (2); and

47 (iii) (A) is a new employee; or

48 (B) has not received an unsatisfactory rating on the teacher's three most recent

49 evaluations.

50 (b) "High-needs area" means at least two and up to five teaching assignments that an

51 LEA designates in a policy as challenging to fill or retain.

52 (c) "Program" means the Salary Supplement for Highly Needed Educators program.

53 (d) "Qualifying assignment" means a teacher who is assigned to a high-needs area.

54 (2) (a) An LEA shall create a policy describing the administration of the Salary

55 Supplement for Highly Needed Educators program within the LEA, including:

56 (i) identifying the LEA's high-needs areas;

57 (ii) the amount of the salary supplement;
58 (iii) establishing an appeals process for a teacher to follow if the teacher does not
59 receive a salary supplement, including:
60 (A) allowing a teacher to appeal eligibility as an eligible teacher with a qualifying
61 assignment on the basis that the teacher has a teaching assignment that is substantially
62 equivalent to a high-needs area; and
63 (B) requiring a teacher to provide transcripts and other documentation to the LEA
64 governing board in order for the LEA governing board to determine if the teacher is an eligible
65 teacher with a qualifying teaching background;
66 (iv) a process for determining if a teacher is an eligible teacher, including a verification
67 process; and
68 (v) a process for certifying a list of eligible teachers to be awarded a salary supplement
69 under this section.
70 (b) An LEA shall update the policy described in Subsection (2)(a) annually and provide
71 notice of any changes to teachers within the LEA.
72 (3) Subject to legislative appropriations and an LEA having the policy described in
73 Subsection (2), the state board shall allocate funding appropriated for the Salary Supplements
74 for Highly Needed Educators program in accordance with this section by:
75 (a) for charter schools:
76 (i) distributing an amount that is equal to the product of:
77 (A) charter school enrollment on October 1 in the prior year, or, for a new charter
78 school, projected enrollment for a charter school in the charter school's first year of operations,
79 divided by enrollment on October 1 in public schools statewide in the prior year; and
80 (B) the total amount available for distribution; and
81 (ii) allocating to each charter school:
82 (A) an equally divided portion of 20% of the amount described in Subsection (3)(a)(i);
83 and
84 (B) 80% of the amount described in Subsection (3)(a)(i) on a per-student basis; and
85 (b) for school districts:
86 (i) distributing the remainder of funds available for distribution after the distribution to
87 charter schools under Subsection (3)(a)(i) by allocating to each school district:

88 (A) an equally divided portion of 20% of the amount described in Subsection (3)(b)(i);

89 and

90 (B) 80% of the amount described in Subsection (3)(b)(i) on a per-student basis.

91 (c) An LEA shall use funds described in Subsections (3)(a) and (3)(b) to pay the LEA's

92 proportional part of an eligible teacher's salary supplement if:

93 (i) the eligible teacher is an employee of a regional education service agency, as

94 defined in Section [53G-4-410](#); and

95 (ii) the LEA is a member of the regional education service agency that employs the

96 eligible teacher.

97 (4) (a) An LEA shall include employer-paid benefits in the amount of each salary

98 supplement.

99 (b) Employer-paid benefits are an addition to the salary supplement amount established

100 by an LEA under Subsection (2).

101 (5) The salary supplement is part of an eligible teacher's base pay, subject to eligible

102 teacher's qualification as an eligible teacher every year, semester, or quarter.

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

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

105 (b) the number of eligible teachers.

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

107 **53F-2-526. Excellence in Education and Leadership Supplement.**

108 (1) As used in this section:

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

110 established in Section [53B-18-801](#).

111 (b) "Eligible teacher" means a teacher who is a top-performing teacher that the center

112 determines using an LEA's assessment methods including:

113 (i) student growth or achievement measures;

114 (ii) professional evaluations; and

115 (iii) parent surveys.

116 (c) "Eligible teacher" includes an individual whom an LEA participating in the

117 program employs and who holds:

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

- 119 (ii) a position that includes a current classroom teaching assignment.
- 120 (d) "High poverty school" means the same as the term is defined in Section [53F-2-513](#).
- 121 (e) "LEA" means:
- 122 (i) a school district;
- 123 (ii) charter school; and
- 124 (iii) a regional education service agency.
- 125 (f) "Program" means the Excellence in Education and Leadership Supplement created
- 126 in Subsection (2).
- 127 (g) "Tier performance level" means the following levels of performance for a teacher in
- 128 comparison to all teachers the center determines in accordance with Subsection (7):
- 129 (i) the top 5% of teachers;
- 130 (ii) the next 6%-10% of teachers; and
- 131 (iii) the next 11%-25% of teachers.
- 132 (h) "Top-performing" means the top 25% of teachers in comparison to all teachers the
- 133 center determines using the methods described in Subsection (1)(b).
- 134 (2) Beginning July 1, 2024, there is created a five-year pilot program known as the
- 135 Excellence in Education and Leadership Supplement to provide a salary supplement to an
- 136 eligible teacher in recognition for outstanding instructional talent.
- 137 (3) (a) No later than December 1, 2024, an LEA may choose to participate in the
- 138 program.
- 139 (b) If an LEA chooses to participate in the program, the LEA shall:
- 140 (i) develop a process for a school principal or the principal's designee to assess a
- 141 teacher's performance consistent with this section to determine if a teacher is an eligible
- 142 teacher, including the corresponding tier performance level; and
- 143 (ii) create an appeals process for an employee who is not nominated to be an eligible
- 144 teacher.
- 145 (4) No later than April 1, 2025, an LEA shall:
- 146 (a) attend a training that the center creates regarding the guidelines for developing a
- 147 process described in Subsection (3); and
- 148 (b) develop and submit for approval the LEA's process described in Subsection (3) to
- 149 the center.

150 (5) (a) The center shall review the LEA's process described in Subsection (3) and
151 approve the process or request that the LEA make changes to the submitted process.

152 (b) If the center requests changes to the LEA's submitted process, the LEA shall work
153 with the center to make necessary changes to receive final approval from the center.

154 (c) No later than June 30, 2025, the center shall provide final approval or denial of an
155 LEA's process.

156 (6) Before the start of the 2025-2026 school year, an LEA with an approved process as
157 described in Subsection (5) shall:

158 (a) ensure each school principal or the principal's designee attends a training that the
159 center creates regarding how to effectively use the LEA's approved process to select and submit
160 to the center nominations for eligible teachers, including the corresponding tier performance
161 level;

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 eligible teachers,
167 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 performance
175 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 Subsection
187 (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 teacher's
194 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) no later than October 1, 2026, determine if a nominated teacher is an eligible
199 teacher through the process described in Subsection (7);
200 (iii) verify:
201 (A) the validity of the LEA's process and assessment of an eligible teacher as described
202 in Subsections (4) and (5); and
203 (B) the nominations described in Subsection (7) with the LEA and school
204 administrators;
205 (iv) certify a list of eligible teachers, including the total amount of funding the LEA
206 receives for the LEA's eligible teachers; and
207 (v) provide the list described in Subsection (9)(b)(iv) to the state board.
208 (10) (a) Subject to legislative appropriations, the state board shall:
209 (i) disburse funding to an LEA in the amount the center verifies that an LEA qualifies
210 to receive for salary supplements under this section; and
211 (ii) (A) except as provided in Subsection (10)(a)(ii)(B), allocate 1% of the funds

212 appropriated under this section to the center; and

213 (B) provide no more than \$500,000 to the center each fiscal year from the funds

214 described in Subsection (10)(a)(ii)(A).

215 (b) The annual salary supplement for an eligible teacher is:

216 (i) \$10,000 for a teacher in the top 5% of teachers;

217 (ii) \$5,000 for a teacher in the next 6%-10% of teachers; and

218 (iii) \$2,000 for a teacher in the next 11%-25% of teachers.

219 (c) If the eligible teacher is employed at a high poverty school, the eligible teacher shall

220 receive an additional salary supplement that is equal in amount to the eligible teacher's salary

221 supplement described in Subsection (10)(b).

222 (11) (a) An LEA shall:

223 (i) use the program funds to provide a salary supplement equal to the amount specified

224 in Subsection (10) for each eligible teacher in each tier performance level; and

225 (ii) provide the salary supplement in an eligible teacher's regularly occurring

226 compensation in equal amounts through the contracted school years related to the salary

227 supplement award.

228 (b) An LEA:

229 (i) may use up to 4% of the money appropriated to the LEA for salary supplements to

230 cover administrative costs associated with implementing the program;

231 (ii) may use money appropriated to the LEA for the salary supplement for

232 employer-paid benefits; and

233 (iii) may not include a salary supplement received under this section:

234 (A) in a retirement calculation; or

235 (B) as part of retirement contributions.

236 (c) The salary supplement is not part of an eligible teacher's base pay, and is subject to

237 the eligible teacher's designation as an eligible teacher.

238 (12) Notwithstanding the provisions of this section, if the appropriation for the

239 program is insufficient to cover the costs associated with salary supplements, an LEA may

240 distribute the funds to each eligible teacher of the same tier of performance level on a pro rata

241 basis.

242 (13) The center and the state board shall collaborate regarding data sharing and other

243 relevant interactions to facilitate the successful administration of the program.

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

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

249 (15) (a) Subject to prioritization of the Audit Subcommittee, unless the state board
250 contracts a private auditor in accordance with Subsection (15)(b), the Office of the Legislative
251 Auditor General established under Section [36-12-15](#) shall, in any fiscal year:

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

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

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

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

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

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

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

263 (ii) relevant data and updates resulting from the collaborations described in Subsection
264 (8);

265 (iii) any recommendations for future legislation; and

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

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

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

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

273 (b) Beginning November 1, 2026, the center shall provide an annual report to the

274 Education Interim Committee regarding:

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

276 (ii) aggregated data showing the number of:

277 (A) salary supplements per school, including total number of eligible teachers in each

278 school;

279 (B) eligible teachers in high-poverty schools;

280 (C) eligible teachers in each tier performance level;

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

282 (E) salary supplement denials per school, including the reasons for a denial;

283 (iii) proportion of eligible teachers in:

284 (A) school districts; and

285 (B) charter schools; and

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

287 **Section 3. FY 2025 Appropriation.**

288 The following sums of money are appropriated for the fiscal year beginning July 1,
289 2024, and ending June 30, 2025. These are additions to amounts previously appropriated for
290 fiscal year 2025.

291 **Subsection 3(a). Operating and Capital Budgets.**

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

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

296 From Public Education Economic Stabilization Restricted \$200,000,000
297 Account, One-time

297 Schedule of Programs:

298 Excellence in Education and Leadership \$200,000,000
299 Supplement

299 **Section 4. Effective date.**

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

301 (2) The actions affecting Section [53F-2-504](#) take effect on July 1, 2025.