

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: Karen M. Peterson

6
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, \$150,000,000

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 Section **53F-2-504** is repealed and reenacted to read: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;

115 (iii) parent surveys; and

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

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

118 program employs and who holds:

- 119 (i) a license the state board issues; and
- 120 (ii) a position that includes a current classroom teaching assignment.
- 121 (d) "High poverty school" means the same as the term is defined in Section [53F-2-513](#).
- 122 (e) "LEA" means:
- 123 (i) a school district;
- 124 (ii) charter school; and
- 125 (iii) a regional education service agency.
- 126 (f) "Program" means the Excellence in Education and Leadership Supplement created
127 in Subsection (2).
- 128 (g) "Tier performance level" means the following levels of performance for a teacher in
129 comparison to all teachers the center determines in accordance with Subsection (7):
- 130 (i) the top 5% of teachers;
- 131 (ii) the next 6%-10% of teachers; and
- 132 (iii) the next 11%-25% of teachers.
- 133 (h) "Top-performing" means the top 25% of teachers in comparison to all teachers the
134 center determines using the methods described in Subsection (1)(b).
- 135 (2) Beginning July 1, 2024, there is created a five-year pilot program known as the
136 Excellence in Education and Leadership Supplement to provide a salary supplement to an
137 eligible teacher in recognition for outstanding instructional talent.
- 138 (3) (a) No later than December 31, 2024, an LEA shall declare the LEA's intent to
139 participate in the program to the center.
- 140 (b) If an LEA declares an intent to participate in the program, the LEA shall:
- 141 (i) develop a process for a school principal or the principal's designee to assess a
142 teacher's performance consistent with this section to determine if a teacher is an eligible
143 teacher, including the corresponding tier performance level; and
- 144 (ii) create an appeals process for an employee who is not nominated to be an eligible
145 teacher.
- 146 (4) No later than April 1, 2025, an LEA shall:
- 147 (a) attend a training that the center creates regarding the guidelines for developing a
148 process described in Subsection (3); and
- 149 (b) develop and submit for approval the LEA's process described in Subsection (3) to

150 the center.

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

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

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

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

159 (a) ensure each school principal or the principal's designee attends a training that the
160 center creates regarding:

161 (i) how to effectively use the LEA's approved process to select and submit to the center
162 nominations for eligible teachers, including the corresponding tier performance level; and

163 (ii) how to protect student and educator data privacy when submitting nominations and
164 applications, as described in Subsection (9)(b)(ii).

165 (b) provide information to teachers within the LEA regarding the program and how the
166 school's principal or principal's designee will use the approved LEA process to make
167 nominations of eligible teachers;

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

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

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

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

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

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

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

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

184 (i) selection and submission guidelines for:

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

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

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

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

191 (iv) the trainings described in this section.

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

193 (9) (a) An LEA shall:

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

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

198 (b) The center shall:

199 (i) create an application process for an LEA to submit the list of nominated eligible
200 teachers described in Subsection (9)(a);

201 (ii) coordinate with the state board in the creation of the application process described
202 in Subsection (9)(b)(i) to ensure that any sharing of student and educator data during the
203 application process:

204 (A) complies with the Family Educational Rights and Privacy Act, 34 C.F.R. Part 99;

205 (B) complies with Title 53E, Chapter 9, Student Privacy and Data Protection; and

206 (C) uses disclosure avoidance techniques, including aggregating and otherwise
207 de-identifying data;

208 (iii) no later than October 1, 2026, determine if a nominated teacher is an eligible
209 teacher through the process described in Subsection (7);

210 (iv) verify:

211 (A) the validity of the LEA's process and assessment of an eligible teacher as described

212 in Subsections (4) and (5); and
213 (B) the nominations described in Subsection (7) with the LEA and school
214 administrators;
215 (v) certify a list of eligible teachers, including the total amount of funding the LEA
216 receives for the LEA's eligible teachers; and
217 (vi) provide the list described in Subsection (9)(b)(iv) to the state board.
218 (10) (a) Subject to legislative appropriations, the state board shall:
219 (i) disburse funding to an LEA in the amount the center verifies that an LEA qualifies
220 to receive for salary supplements under this section; and
221 (ii) (A) except as provided in Subsection (10)(a)(ii)(B), allocate 1% of the funds
222 appropriated under this section to the center; and
223 (B) provide no more than \$500,000 to the center each fiscal year from the funds
224 described in Subsection (10)(a)(ii)(A).
225 (b) The annual salary supplement for an eligible teacher is:
226 (i) \$10,000 for a teacher in the top 5% of teachers;
227 (ii) \$5,000 for a teacher in the next 6%-10% of teachers; and
228 (iii) \$2,000 for a teacher in the next 11%-25% of teachers.
229 (c) If the eligible teacher is employed at a high poverty school, the eligible teacher shall
230 receive an additional salary supplement that is equal in amount to the eligible teacher's salary
231 supplement described in Subsection (10)(b).
232 (11) (a) An LEA shall:
233 (i) use the program funds to provide a salary supplement equal to the amount specified
234 in Subsection (10) for each eligible teacher in each tier performance level; and
235 (ii) provide the salary supplement in an eligible teacher's regularly occurring
236 compensation in equal amounts through the contracted school years related to the salary
237 supplement award.
238 (b) An LEA:
239 (i) may use up to 4% of the money appropriated to the LEA for salary supplements to
240 cover administrative costs associated with implementing the program;
241 (ii) may use money appropriated to the LEA for the salary supplement for
242 employer-paid benefits; and

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

244 (A) in a retirement calculation; or

245 (B) as part of retirement contributions.

246 (c) The salary supplement is not part of an eligible teacher's base pay, and is subject to
247 the eligible teacher's designation as an eligible teacher.

248 (12) Notwithstanding the provisions of this section, if the appropriation for the
249 program is insufficient to cover the costs associated with salary supplements, an LEA may
250 distribute the funds to each eligible teacher of the same tier of performance level on a pro rata
251 basis.

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

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

256 (b) An eligible teacher's salary supplement and designation under this section are void
257 if 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 Legislative
261 Auditor General established under Section [36-12-15](#) shall, in any fiscal year:

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

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

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

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

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

269 (16) (a) The center shall report to the Education Interim Committee no later than the
270 2024 October meeting the following:

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

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

- 274 (8);
275 (iii) any recommendations for future legislation; and
276 (iv) data regarding salary supplement programs, including:
277 (A) different approaches used to reward teacher performance, including different
278 evaluation methods;
279 (B) research outlining the effectiveness and impact of different salary supplement
280 amounts on teacher retention; and
281 (C) other considerations for impactful salary supplement programs in relation to
282 teacher retention.
283 (b) Beginning November 1, 2026, the center shall provide an annual report to the
284 Education Interim Committee regarding:
285 (i) the statewide metrics used in accordance with Subsection (7);
286 (ii) de-identified and aggregated data showing the number of:
287 (A) salary supplements per school, including total number of eligible teachers in each
288 school;
289 (B) eligible teachers in high-poverty schools;
290 (C) eligible teachers in each tier performance level;
291 (D) eligible teachers in subject areas that do not have standardized assessments; and
292 (E) salary supplement denials per school, including the reasons for a denial;
293 (iii) proportion of eligible teachers in:
294 (A) school districts; and
295 (B) charter schools; and
296 (iv) teacher retention data for a school where an eligible teacher is employed.

297 **Section 3. FY 2025 Appropriation.**

298 The following sums of money are appropriated for the fiscal year beginning July 1,
299 2024, and ending June 30, 2025. These are additions to amounts previously appropriated for
300 fiscal year 2025.

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

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

305 ITEM 1 To State Board of Education - State Board and Administrative Operations
306 From Public Education Economic Stabilization Restricted \$150,000,000
Account, One-time
307 Schedule of Programs:
308 Excellence in Education and Leadership \$150,000,000
Supplement

309 Section 4. **Effective date.**

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

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