

# HOUSE RESEARCH

## Bill Summary

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### Overview

Proposes to establish a high performance teacher reward pilot project that allows independently administered schools to use performance pay to reward teachers for improving students' academic performance and closing the achievement gap between students.

#### Section

##### **1 High performance teacher reward pilot project.**

**Subd. 1. Purpose.** Establishes a high performance teacher reward pilot project to determine how best to close the achievement gap between high and low performing schools and students. Allows a low performing school with many disadvantaged students that agrees to retain highly qualified teachers who are well compensated and recognized for their expertise to participate in the pilot project.

**Subd. 2. Eligible school.** (a) Directs the education commissioner to use school performance report cards and a school's free and reduced price lunch count to identify, list and rank eligible schools that must be separated into three geographical areas. Requires eligible schools approved or designated by the district, to apply to participate using a commissioner-provide form that includes a description of the applicant's proposed teacher performance pay plan.

(b) Directs the commissioner to select the lowest ranked school from each of the three

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geographical areas or, if no low-ranked schools apply, allows the commissioner to invite existing schools or an authorizes sponsor to sponsor a charter school to participate.

**Subd. 3. Governance.** (a) Directs the school district superintendent or charter school board of directors to select the chief administrator for a participating school or to allow a group of teachers to form a cooperative to administer the school.

(b) Gives general control and responsibility for the school, including the education program, to the entity charged with administering a participating school.

(c) Directs the administrative entity at the participating school to consult with the school district or charter school board of directors in hiring nonlicensed employees and licensed employees who demonstrate their effectiveness at improving student achievement.

(d) Allows the administrative entity to hire staff to determine the curriculum, instructional strategies and the school calendar.

(d) Allows the administrative entity to discharge or transfer teachers and nonlicensed employees under subdivision 8 of this bill.

**Subd. 4. Exemptions from statute and rules.** (a) Declares that a participating school is exempt from all education-related statutes and rules except those listed in this subdivision, although it may elect to comply with the statutes and rules from which it is exempt.

(b) Makes the participating school subject to Minnesota's human rights laws and a requirement to provide boys and girls equal access to athletic programs.

(c) Makes the participating school subject to the pupil fair dismissal act and the public school fee law.

(d) Makes the participating school subject to the financial audits and audit procedures and requirements applicable to school districts.

(e) Makes the participating school subject to statutory requirements governing academic standards and assessment and school accountability.

(f) Makes the participating school subject to state laws governing access to student records.

(g) Makes the participating school subject to the requirement to recite the pledge of allegiance.

**Subd. 5. Pupils with a disability.** Makes the participating school subject to state laws

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entitling children with disabilities to special education programs and services.

**Subd. 6. Transportation.** Makes the school district in which the participating school is located responsible for the transportation of the students enrolled in the participating school.

**Subd. 7. Employment and other operating matters.** Directs the participating school to contract with licensed teachers to provide classroom instruction, and allows the school to contract with nonlicensed necessary employees who perform duties other than teaching and to contract for services. Allows the participating school to discharge or transfer licensed and nonlicensed employees during the pilot project term. Directs the school's administrative entity to decide operating matters such as budgeting, curriculum, teacher assignments and teachers' bonus pay.

**Subd. 8. Employees.** (a) Declares that employees working at the participating school remain school district employees for personnel matters such as salary, benefits, seniority and retirement, except that the administrative entity, in consultation with the school district or charter school board of directors, determines which licensed and nonlicensed personnel are hired or transferred from within or without the district in which the school is located. Allows a school district superintendent or charter school board of directors to remove the administrative entity at the participating school for good cause at any time during the pilot project term. Declares that the administrative entity of a participating school remains the employee of the employing school district or charter school, if applicable, for personnel matters such as salary, benefits, seniority and retirement.

(b) Grants teachers employed at a participating school a leave of absence from their employing school district or charter school. Subjects teachers' leaves under this section to the statutory provision (Minnesota Statutes § 122A.46) governing teachers' extended leaves of absence except that subdivision 7, removing districts' obligation to reinstate teachers on extended leaves who take a full or part-time position in another Minnesota school district, does not apply.

(c) Allows teachers on leave to continue to aggregate retirement benefits and credits by paying the employer and employee contributions based on the teacher's annual salary for the last full pay period before the leave began. Allows the teachers' retirement association to impose reasonable requirements to administer this paragraph.

(d) Requires all participating teachers to be public school teachers for purposes of state teacher retirement provisions.

(e) Requires all participating employees other than public school teachers to be public employees for purposes of the state's public employees retirement association.

(f) Declares that the administrative entity and the licensed and nonlicensed employees at a participating school remain employees of their employing school district or charter

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school for personnel matters such as salary, benefits, seniority and retirement.

(g) Declares an administrative entity and the licensed and nonlicensed employees employed at a participating school who were not previously employed by a school district or charter school to be at-will employees of the participating school.

**Subd. 9. Teacher performance; performance pay.** (a) Directs the administrative entity, in consultation with the school district superintendent or charter school board of directors to establish the performance indicators the administrative entity will use to measure teacher performance and determine the teachers who are eligible to receive performance pay, the amount of that pay and the payment schedule.

(b) Requires performance indicators to include at least: (1) elements of the educational improvement plan needed to qualify for alternative teacher compensation aid; (2) factors of an alternative teacher professional pay system; (3) additional pay for teachers providing student instruction and performing other requested duties; (4) continuous improvement of teachers' use of scientifically based research; and (5) student academic achievement incorporating teacher evaluations using measurable teaching standards aligned with the school's plan, school wide performance gains and student academic performance gains that include a value-added component.

(c) Limits a teacher's annual salary including performance pay to \$100,000.

**Subd. 10. Reports.** Directs the education commissioner annually to report to the legislature through January 1, 2011, on the progress of schools participating in the pilot project, including the growth of students' academic achievement when teachers' pay is based on their performance and the characteristics of highly effective teachers.

Makes this section effective July 1, 2004, and applicable to the 2005-2006 through the 2009-2010 school years.

**2 Appropriation.** Appropriates an unstated general fund amount in fiscal year 2005 to the education commissioner for the high performance teacher reward pilot project in section 1.