

**LEGISLATIVE EDUCATION STUDY COMMITTEE
BILL ANALYSIS**

Bill Number: SM 38

49th Legislature, 2nd Session, 2010

Tracking Number: .181096.1

Short Title: Report on Teacher Reward Mechanisms

Sponsor(s): Senator John Christopher Ryan

Analyst: Ally Hudson

Date: February 10, 2010

Bill Summary:

SM 38 requests that the Public Education Department (PED):

- work collaboratively with teachers, principals, other school administrators, and the teachers' unions in the design, process, and evaluation instruments of a merit selection system for teacher and principals who improve student achievement;
- consider the use of both standardized teacher evaluation and student achievement reports to determine the basis of merit awards; and
- report to the Legislative Education Study Committee (LESC) and the Legislature before the First Session of the Fiftieth Legislature on its progress in designing a merit selection system.

Fiscal Impact:

Legislative Memorials do not contain an appropriation.

Fiscal Issues:

Memorials requesting that state agencies conduct studies are likely to have a fiscal impact in terms of staff time, travel, office supplies, and other items. This impact could be especially pronounced if the agencies are experiencing budget reductions or staff furloughs.

The PED analysis notes that, because of the need for both well-documented evaluation procedures and the variable salary schedule, the administration of an incentive pay program can be cumbersome. A proposed budget should take into account not only the salary increments but also the cost of teacher evaluation (including that of training evaluators) and the possibility that a greater number of teachers and principals will qualify for pay increases than originally predicted. Due to these complexities, additional administrative staff may be necessary.

Substantive Issues:

According to the PED analysis, there is a substantive difference between the terms "incentive pay" and "merit pay."

- “Incentive pay” is provided for teachers and principals who work in low-performing schools.
- “Merit pay” is related to teacher performance.

SM 38 uses both terms; it might be helpful to refer to a single phrase throughout the memorial.

Related Bills:

SB 111 *Additional Teacher Evaluation Standards*