An Initial Review of

Merit Awards For Teachers

Best Practices to Inform
Program Implementation

Office of the Legislative Auditor General

Report to the **UTAH LEGISLATURE**

LEGISLATIVE AUDITOR GENERAL

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May 14, 2024

TO: THE UTAH STATE LEGISLATURE

Transmitted herewith is our report:

"An Initial Review of Merit Awards for Teachers:
Best Practices to Inform Program Implementation" [Report #2024-06].

An audit summary is found at the front of the report. The scope and objectives of the audit are included in the audit summary. In addition, each chapter has a corresponding chapter summary found at its beginning.

This audit was requested by the Legislative Audit Subcommittee.

Utah Code 13-12-15.3(2) requires the Office of the Legislative Auditor General to designate an audited entity's chief executive officer (CEO). Therefore, the designated CEO for Utah State University is President Elizabeth Cantwell. President Cantwell has been notified that she must comply with the audit response and reporting requirements as outlined in this section of *Utah Code*.

We will be happy to meet with appropriate legislative committees, individual legislators, and other state officials to discuss any item contained in the report in order to facilitate the implementation of the recommendations.

Sincerely,

Kade R. Minchey, CIA, CFE

Auditor General

kminchey@le.utah.gov

INITIAL REVIEW

MERIT AWARD FOR TEACHERS

🎯 KEY FINDINGS

✔ **1.1** Data challenges and potential challenges to objectivity could be addressed to maximize the impact of Utah's new program

✔ **1.2** There may be room to improve existing student growth measurement and increase the number of teachers that can participate in Utah's merit-award program

✔ **2.1** Merit-award programs are currently having a measurable impact on teacher retention and student performance in some jurisdictions

✔ **2.2** Other merit-award programs no longer exist or did not have the desired impact

✔ **3.1** Pay structure makes it difficult to target retention of high-performing teachers

✔ **3.2** Utah's teacher retention rate is high but varies by type of school

📋 RECOMMENDATIONS

✔ **1.1** Utah State University's Center for the School of the Future should develop policies and procedures that take into account variation of teacher evaluation systems across local education agencies when identifying the state's highest performing teachers. They should report their findings to the Education Interim Committee no later than October 2024.

✔ **1.4** Utah State University's Center for the School of the Future should ensure that local education agencies account for objectivity concerns for the nomination of teachers by principals or their designees and report to the Education Interim Committee no later than October 2024 on these efforts.

AUDIT REQUEST

The Legislative Audit Subcommittee requested an audit of local education agencies' use of analytical tools and student data to identify high-performing and struggling teachers for the purpose of implementing a performance pay plan for teachers in the state.

BACKGROUND

During the 2024 General Session, the Legislature established a merit-award program for teachers through Senate Bill 173 (SB 173). Although Utah's overall teacher retention rate is high when compared to other states, there is an opportunity to improve the retention of top-performing teachers, especially at high-needs schools. This report focuses on best practices from merit-award programs from around the country and provides guidance on how to successfully develop and implement the program created through SB 173.

REPORT SUMMARY

Utah Could Improve the Impact of Its New Merit-Award Program by Anticipating Potential Hurdles

As the program created in SB 173 is implemented, we suggest focusing on specific areas to ensure successful implementation. These areas include addressing data limitations, variation in teacher evaluation systems, and potential shortcomings of student growth measures.

The History of Merit-Award Programs Provides Insight on Potential Best Practices and Pitfalls

States, cities, and school districts have implemented merit award for teachers with varying levels of success. Chapter 2 summarizes both the successes and failures f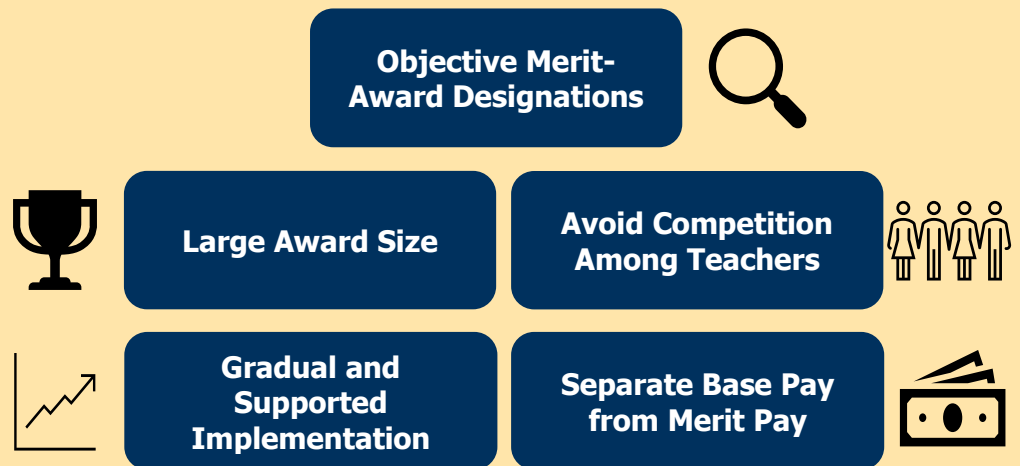rom these programs and provides context for the recommendations presented in Chapter 1 of this report. When implemented well, the lessons learned from successful merit-award programs can help improve teacher retention and student performance.

Utah Has High Overall Teacher Retention but the State Could More Effectively Reward Its Best Teachers

Teachers vary in their effectiveness, but these differences do not drive differences in pay. The structure of teacher pay in Utah limits the ability of local education agencies to reward and retain their best teachers. While Utah's overall teacher retention rate is high compared to other states, retention varies by type of school, with high-poverty schools having a harder time retaining teachers. The program created in SB 173 could help improve teacher retention in high-poverty schools.

Five Practices Associated with Successful Merit-Award Programs

The merit-award programs for teachers that have positively influenced teacher retention and student learning appear to share key design elements. These five practices appear to have contributed to the success of these programs. Utah's new program incorporates elements of these best practices.

- Objective Merit-Award Designations
- Large Award Size
- Avoid Competition Among Teachers
- Gradual and Supported Implementation
- Separate Base Pay from Merit Pay

Table of Contents

Introduction

The Utah Legislature adopted a teacher merit-award program during the 2024 General Session that creates a process for identifying and rewarding the state's top-performing teachers. Senate Bill 173 (SB 173) established the Excellence in Education and Leadership Supplement Program. The program and its funding will formally begin July 1, 2024, and will be administered by the Center for the School of the Future at Utah State University (USU).

> **Senate Bill 173 created a program that provides a mechanism for identifying the state's best teachers and rewarding them financially.**

The Legislative Audit Subcommittee prioritized this audit in June 2023, before SB 173 became law. This audit, in the context of Utah's newly created program has three main purposes. First, it reviews the structure of Utah's new program. Second, it provides information on lessons learned from other merit-award programs. Finally, it discusses ideas on how to ensure the best implementation of Utah's new program. We also provide information on the current landscape for teacher compensation and teacher retention in Utah.

The following infographic shows how this chapter relates to other chapters in this report.

Introduction

Chapter 1 — Recommendations to help ensure the best implementation of the new program

Chapter 2 — Lessons learned from successful merit-award programs and those that have been discontinued

Chapter 3 — Utah's teacher retention, teacher pay structure, and LEAs' ability to retain high-performing teachers in Utah
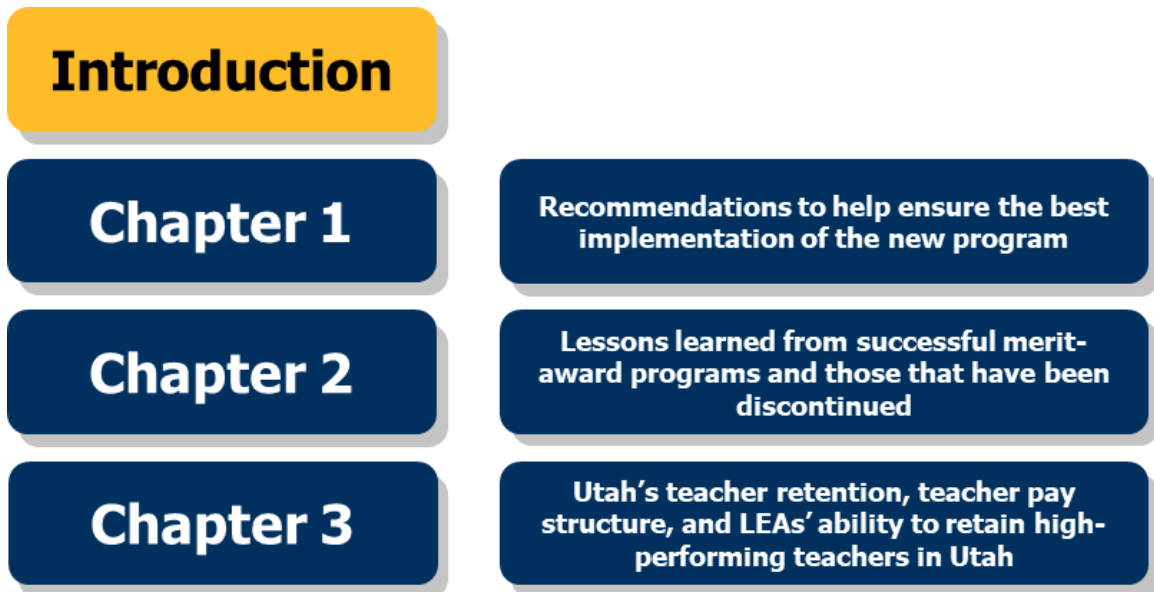
SB 173 created a merit-award program for teachers that contains the following elements:

| Voluntary for LEAs | Five-Year Pilot Program | LEAs Develop Plans for Identifying Top Teachers |

| USU Reviews LEA Plans and Submitted Teachers | Total Stipend Ranges From $2,000 to $20,000 Per Teacher |

Merit-Based Awards Gives Administrators Tools to Strategically Retain Their Best Teachers

Utah has a high overall retention rate of teachers and appears to retain teachers of various levels of performance at similar rates. Utah's current pay structure for teachers, which is unrelated to teacher performance, may explain why we are not retaining our best teachers at an even higher rate. Merit-award programs around the country have had varying levels of success. Some programs have led to improvements in the retention rates of high-performing teachers, and sometimes, measurable improvements in student performance. In the context of the current pay structure for teachers, the Legislature passed SB 173 to recognize and reward top-performing teachers. The program created by SB 173 gives LEAs an additional tool to strategically target teacher retention.

Merit-award programs around the country have had varying levels of success. Some programs have led to improvements in the retention rates of highly effective teachers, and in some cases, measurable improvements in student performance.

In Chapter 1 of this report, we review ideas on how to ensure the best implementation for Utah's new merit-award program. These recommendations are derived from the experiences of other merit-award programs and the public education landscape in Utah. In Chapter 2 of this report, we review teacher merit-award programs around the country that appear to have been successful and programs that have fallen short of expectations. The

following infographic contains background information on the successful programs in the state of Texas, Washington, DC, and Dallas, TX.

Texas created the Teacher Incentive Allotment (TIA) that awards teachers up to $32,000 a year for five years and incentivizes the best teachers to teach in high -needs and rural schools. In its sixth year, 481 school systems participated out of about 1,200 statewide and increased teacher retention.

The DC IMPACT program has helped Washington, DC, retain teachers at the same rate in high -poverty schools as non -high-poverty schools. Effective teachers are given bonuses up to $25,000 a year if teaching in a high -poverty school. Studies found teachers on the margin of obtaining merit awards increased their effectiveness the following year.

In 2013, Dallas Independent School District took steps to systematically identify its highest performing teachers. This information was then used to incentivize effective teachers to teach in under -performing schools. Currently using TIA designations, this program has led to long -term increases in student performance.

We also looked at merit-award programs that were unsuccessful or had sufficient problems to be terminated. These include Denver's ProComp program and Career Ladders in Utah that are both shown in the following infographic.

Denver's system lost highly effective teachers at a lower rate compared to other school districts, but ultimately failed, in part, due to shifting incentive amounts and the perception the program hurt retention . Teachers went on strike which resulted in a reformed pay system that reincorporated traditional salary structures for teachers.

Utah adopted Career Ladders for teachers in 1983, which included multiple components including merit awards and an extended calendar for professional days. Principals were tasked with selecting a set percentage of teachers at their school who received merit awards, which appears to have placed teachers in direct competition with one another. Over time, districts shifted funding within the program away from merit awards. Career Ladders was formally discontinued by the Legislature around 2012.
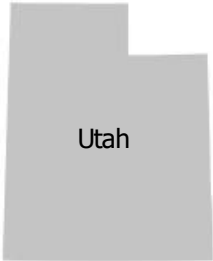
In Chapter 3 of this report, we review the current situation in Utah in terms of teacher pay structure and teacher retention. Based on conversations with school

principals in five school districts and associated data, it appears that principals can generally identify their best teachers. Indeed, teachers that are rated at the highest level of effectiveness based on evaluations in three of these districts generally have students that experience more growth.[1] Despite being aware of their top teachers, pay schedules limit LEAs' ability to reward and retain their top teachers. SB 173 and the program it created give LEAs an additional tool to retain high-performing teachers and encourage them to teach in high-needs schools through additional compensation.

SB 173 and the program it created give LEAs an additional tool to retain high-performing teachers and encourage them to teach in high-needs schools through additional compensation.

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[1] We were limited in our ability to assess the relationship of teacher evaluations to student growth across more LEAs due to data unavailability. Up until July 1, 2024, LEAs were required to submit teacher evaluation data to the Utah State Board of Education that was not tied to specific teachers.

BACKGROUND

The Utah Legislature created a merit-award program for teachers in 2024 that is voluntary for local education agencies. This program, which was part of Senate Bill 173, creates a system for identifying the top-performing public education teachers statewide and rewarding them with a stipend. The program will be primarily administered by the Center for the School of the Future at Utah State University (USU). This chapter discusses recommendations that could help ensure the best implementation of Utah's new merit-award program. Chapter 2 reviews merit-award programs, both those that have been successful and those that have not. Chapter 3 reviews teacher pay structure and teacher retention in Utah in the context of Utah's new program.

FINDING 1.1
Data Challenges and Potential Challenges to Objectivity Could Be Addressed to Maximize the Impact of Utah's New Program

RECOMMENDATION 1.1
Utah State University's Center for the School of the Future should develop policies and procedures that take into account variation of teacher evaluation systems across local education agencies when identifying the state's highest performing teachers. They should report their findings to the Education Interim Committee no later than October 2024.

RECOMMENDATION 1.2
Utah State University's Center for the School of the Future should evaluate methods for determining teacher effectiveness statewide when teacher evaluation data is only available for participating local education agencies. They should report their findings to the Education Interim Committee no later than October 2024.

RECOMMENDATION 1.3
Utah State University's Center for the School of the Future should evaluate methods for determining teacher effectiveness statewide when parent survey data is only available for participating local education agencies. They should report their findings to the Education Interim Committee no later than October 2024.

RECOMMENDATION 1.4
Utah State University's Center for the School of the Future should ensure that local education agencies account for objectivity concerns in the nomination of teachers by principals or their designees and report to the Education Interim Committee no later than October 2024 on these efforts.

FINDING 1.2
There May Be Room to Improve Existing Student Growth Measurement and Increase the Number of Teachers That Can Participate in Utah's Merit-Award Program

RECOMMENDATION 1.5
Utah State University's Center for the School of the Future should determine whether refinements to student growth percentile or an alternative measure of student growth are needed to better measure teacher performance for Utah's merit-award program. They should report this information to the Education Interim Committee no later than October 2024.

RECOMMENDATION 1.6
Utah State University's Center for the School of the Future should develop policies and procedures to ensure that any alternative measures used for student growth or achievement are validated. They should report to the Education Interim Committee on these efforts no later than October 2024.

FINDING 1.3
Large Upfront Costs, Combined with One-Time Funding, May Impact Program Adoption

RECOMMENDATION 1.7
After June 30, 2025, the Legislative Audit Subcommittee should consider having the Office of the Legislative Auditor General evaluate program adoption rates, including the potential impact of funding structure on participation.

RECOMMENDATION 1.8
The Legislative Audit Subcommittee should consider having the Office of the Legislative Auditor General conduct an audit of the merit-award program's effectiveness and implementation at the conclusion of the pilot program.

CONCLUSION

During the course of our audit, we were able to compare the structure of Utah's new merit-pay program for teachers to those found in other jurisdictions. We identified potential areas that USU should pay particular attention to during program implementation. Addressing these hurdles could help ensure the most effective implementation of the new program as it is adopted by local education agencies.

Chapter 1
Utah Could Improve the Impact of Its New Merit-Award Program by Anticipating Potential Hurdles

During the 2024 General Session, the Legislature established a merit-award program for teachers through Senate Bill 173 (SB 173). While SB 173 doesn't officially start until July 1, 2024, Utah State University's Center for the School of the Future (USU) will be working on program details in the upcoming months. As the program unfolds, we suggest focusing on specific areas. The focus areas stem from our review of other merit-award programs, conversations with school principals and local education agencies (LEA), and our review of the design of Utah's new program.

The following infographic shows how this chapter relates to other chapters in this report.

Introduction	
Chapter 1	Recommendations to help ensure the best implementation of the new program
Chapter 2	Lessons learned from successful merit-award programs and those that have been discontinued
Chapter 3	Utah's teacher retention, teacher pay structure, and LEAs' ability to retain high-performing teachers in Utah
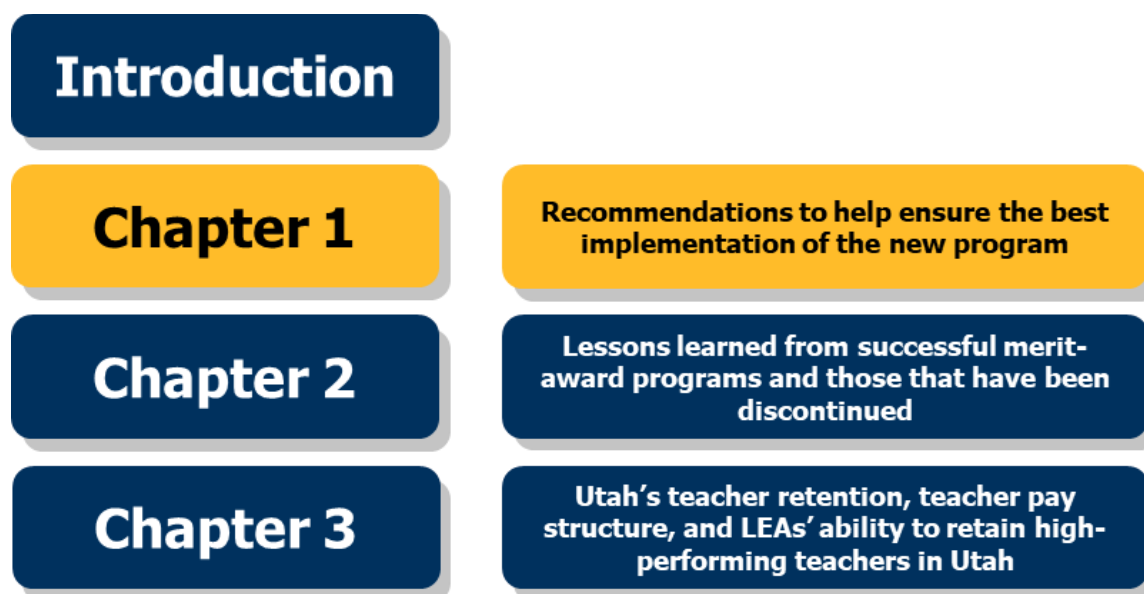
1.1 Data Challenges and Potential Challenges to Objectivity Could Be Addressed to Maximize the Impact of Utah's New Program

Utah's new merit-award program relies on data and LEAs to identify the state's highest-performing teachers. Comparable and reliable data is especially

important for USU's role in verifying LEA submissions of their best teachers and comparing teachers across LEAs. However, teacher evaluations in Utah vary between LEAs and statewide teacher evaluation and parent survey data is currently unavailable, potentially impairing USU's ability to confidently identify the state's best teachers. In addition, the role of principals in Utah's merit-award program could introduce additional subjectivity compared to merit-award programs in other states. USU should determine how to fulfill their responsibilities in the absence of statewide data and ensure the role of principals is balanced with LEA administrators.

Teacher Evaluation Systems Vary Between LEAs and Could Pose Hurdles for a Statewide Comparison of Teachers

The program created by SB 173 compares all teachers in the state and identifies the highest-performing 25 percent. The variety of teacher evaluation systems in different LEAs in Utah presents a potential hurdle in this comparison. Based on a previous audit by our office,[2] each LEA in Utah has a different teacher evaluation system.

> **Office of the Legislative Auditor General:**
>
> *"Districts have autonomy to create their own evaluation system, as long as it meets the guidance in Utah Code and Administrative Rule. This autonomy allows districts to create their own evaluation rubric, assign unique weights to criteria, and determine how often and how long a teacher is observed in the classroom. As a result, the score a teacher receives in one district is not comparable with the same score of a teacher in another district."*

Each LEA's system in Utah is required to use the same scale that ranges from "not effective" to "highly effective." However, evaluation systems can vary in key areas. The following infographic from our previous audit highlights the differences between the evaluation systems of two school districts.

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[2] *A Performance Audit of Teacher and Principal Performance Within Utah's Public Education System (2022-03).* https://lag.utleg.gov/olag-doc/2022-03_RPT.pdf

District A

Goal Setting:
Collaborative goal setting between educator and administrator.

Observations:
Career educators are observed **once every 3 years**. Provisional educators are observed two times per year.

Stakeholder Input:
Evidence can be provided by the teacher on Utah Effective Teaching Standards 1.2, 5.2, 9.1, and 9.2.

Student Growth:
Selection of goals and collection of student growth data. Documentation of student growth updated annually.

80% of score

20% of score

District B

Goal Setting:
At least three goals will be set each year, with one being directly related to one or more effective teaching indicators.

Observation:
Career educators are observed a **minimum of 3 times each year.** Provisional educators are observed a minimum of four times each year.

Stakeholder Surveys:
The educator will receive feedback from student and parent surveys conducted annually.

Student Growth:
All educators review available student growth and achievement data and set goals for improvement.

Considered in total for final score

Teacher receives a score of "3." Score is valid for the next two years.

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Teacher receives a score of "3." Will be evaluated and receive a new score next year.

Source: A Performance Audit of Teacher and Principal Performance Within Utah's Public Education System (2022-03). https://lag.utleg.gov/olag-doc/2022-03_RPT.pdf

Despite key differences between Districts A and B in this example, they use the same rating scale. Stated differently, the same score across districts can result from two very different evaluation processes and, therefore, could mean different things.

We observed differences in evaluation scores in our sample of LEAs that also call into question the comparability of evaluations between LEAs. The data in Figure 1.1 indicates a significant disparity in the percentage of teachers with the "highly

effective" rating across three school districts in our sample and the state as a whole.

Figure 1.1 School Districts Appear to Vary Significantly in the Percent of Teachers with the Highest Rating. District A in our sample rated a significantly higher percentage of their teachers as "highly effective" compared to other districts in our sample and the statewide* data.
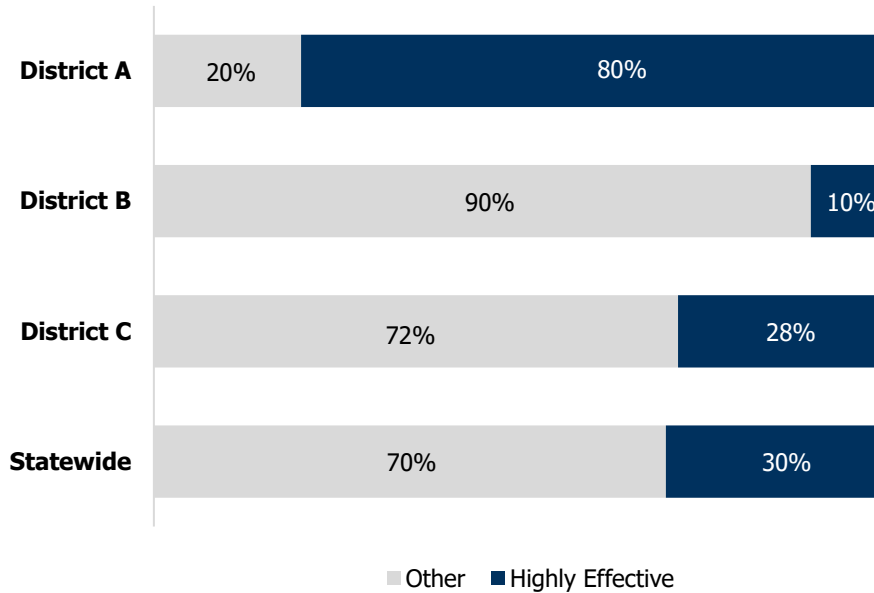
Source: Utah State Board of Education data and data from sampled school districts.
*Statewide numbers are based on data from 32 school districts and 98 charter schools.

Comparing the details of evaluation systems of these three school districts was outside the scope of this audit. Despite this, the data presents a strong case that the "highly effective" rating carries different interpretations in different districts.

> 🔍 **Utah's merit-award program will have to find a way to compare teacher evaluations between LEAs with different evaluation**

SB 173 requires teacher evaluations to be used as one of the criteria in identifying Utah's highest performing teachers. Texas's merit-award program, which Utah's is modeled after, generally has uniform evaluations across the state's LEAs. District of Columbia Public Schools' IMPACT program exists within a single school district, with all schools using the same teacher evaluation system. Utah's merit-award program will have to find a way to compare evaluations between LEAs with different evaluation systems.

USU is required to report to the Education Interim Committee no later than October 2024 about certain aspects of program implementation. USU should

determine how to use evaluation data from different teacher evaluation systems to identify the highest performing teachers statewide and report this information to the Education Interim Committee.

> **RECOMMENDATION 1.1**
>
> Utah State University's Center for the School of the Future should develop policies and procedures that take into account variation of teacher evaluation systems across local education agencies when identifying the state's highest performing teachers. They should report their findings to the Education Interim Committee no later than October 2024.

Teacher Evaluation and Parent Survey Data Are Not Currently Reported Statewide

SB 173 requires that LEAs use both teacher evaluations and parent surveys of teachers to identify their highest performing teachers. However, this data is not currently accessible for all LEAs statewide. All LEAs are no longer required to submit teacher evaluation data to the Utah State Board of Education (USBE) beginning July 1, 2024. This limits the data available to USU for validating the highest performing teachers submitted by LEAs. USU's role is to ensure that these teachers are in the top 25 percent statewide. Even if the evaluation data was available statewide, it may have limitations e.g., a previous audit noted that most districts allow career teachers to be fully evaluated once every three years.

Gaps in statewide data availability for teacher evaluations and parent surveys may complicate the process of comparing teachers across LEAs and identifying the highest performers.

In order to fulfill statutory requirements, LEAs reportedly compile parent surveys about teachers and include them in teacher evaluations.[3] LEAs are not required to submit the results to USBE. LEAs who choose to participate in Utah's merit-award program could submit evaluation and parent survey data to USU. However, the program is meant to reward the top 25 percent of all teachers in the state, not just LEAs that choose to participate. This likely means data from participating LEAs must be compared in some way to all LEAs in the state, including those for which USU does not have data.

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[3] *Utah Code* 53G-11-507. "A local school board…shall adopt a reliable and valid education evaluation program that evaluates educators based on educator professional standards established by the state board and includes…student and parent input…"

Due to these gaps in data availability, the process of comparing teachers across LEAs and identifying the highest performers may become complicated. USU should consider how they operate the program when data for teacher evaluations and parent surveys is only available for participating LEAs and report this information to the Education Interim Committee.

> ### RECOMMENDATION 1.2
>
> Utah State University's Center for the School of the Future should evaluate methods for determining teacher effectiveness statewide when teacher evaluation data is only available for participating local education agencies. They should report their findings to the Education Interim Committee no later than October 2024.

> ### RECOMMENDATION 1.3
>
> Utah State University's Center for the School of the Future should evaluate methods for determining teacher effectiveness statewide when parent survey data is only available for participating local education agencies. They should report their findings to the Education Interim Committee no later than October 2024.

The Role of Identifying Top Teachers May Need to Be Balanced Between Principals and LEA Administrators

School principals or designees in LEAs participating in the merit-award program have two responsibilities that directly impact whether the teachers at their school can receive a stipend as part of the program. Principals or assistant principals are generally responsible for evaluating teachers and also nominating high-performing teachers to their LEA for submission to USU. Conversations with principals around the state indicate that personal relationships already can influence the teacher evaluation process and evaluation scores. Ensuring the responsibility of identifying top-performing teachers to submit to USU is balanced between principals and LEA administrators could lessen potential problems with objectivity.
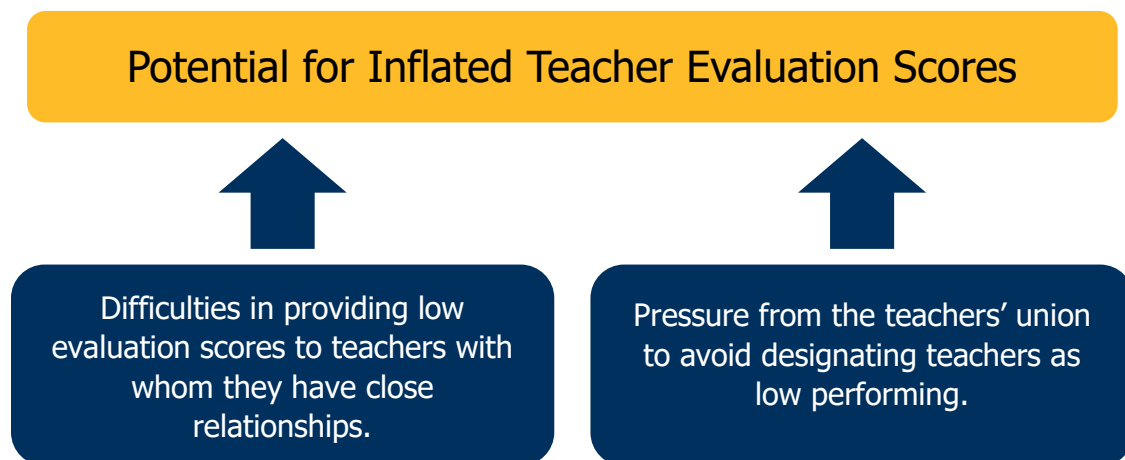
Ensuring the responsibility of identifying high-performing teachers to submit to USU is balanced between principals and LEA administrators could lessen potential problems with objectivity.

As mentioned in Chapter 2 of this report, objectivity in identifying the highest-performing teachers appears to be an important attribute of successful merit-award programs. However, having principals nominate teachers for merit awards potentially introduces subjectivity to the program. In talking with

principals in five school districts in different parts of Utah, they mentioned two factors that influence teacher evaluations besides teacher effectiveness. While not specifically about rating too many teachers as "highly effective," these factors all may put an upward pressure on evaluation scores. These factors include the following:

Potential for Inflated Teacher Evaluation Scores

Difficulties in providing low evaluation scores to teachers with whom they have close relationships.	Pressure from the teachers' union to avoid designating teachers as low performing.

Source: Conversations with principals in five Utah school districts.

While we may not be able to eliminate these factors in teacher evaluations, steps can be taken to minimize social pressures' influence on the new merit-award program. Texas's system—which Utah's new system is largely based on—has principals evaluating teachers and LEA administrators designating high-performing teachers to be submitted.

Under SB 173, principals or their designees nominate their top teachers, and an LEA submits these teachers to USU for review. USU should ensure that LEAs, as part of their role in the program, account for objectivity concerns for principals' teacher nominations. USU should report to the Education Interim Committee how they plan to address potential objectivity concerns in the identification of top-performing teachers by principals and LEA administrators.

RECOMMENDATION 1.4

Utah State University's Center for the School of the Future should ensure that local education agencies account for objectivity concerns for the nomination of teachers by principals or their designees and report to the Education Interim Committee no later than October 2024 on these efforts.

1.2 There May Be Room to Improve Existing Student Growth Measurement and Increase the Number of Teachers That Can Participate in Utah's Merit-Award Program

SB173 requires that LEAs participating in Utah's merit-award program must use student growth or student achievement, as well as other factors, to identify their highest performing teachers. Based on our work, we identified opportunities for Utah to potentially improve its use of growth measures in the context of Utah's merit-award program. In contrast to achievement measures, which describe student academic proficiency, growth measures describe how much students improved throughout an academic year. For this reason and the fact that other merit-award programs we review in Chapter 2 of this report use student growth, we are focusing on potential improvements to student growth measures for Utah's merit-award program.

There May be Opportunities to Improve Utah's Student Growth Measures to Better Estimate Teacher Impact

Utah's current student growth measures, while readily available, may not be the most effective way to measure teacher effectiveness in the context of Utah's merit-award program. USU should determine whether changes should be made for measuring student growth for the merit-award program.[4]

Different Student Growth Measures Have Various Costs and Benefits. Value-added models (VAM) and student growth percentiles (SGP) are the growth measures most commonly used when evaluating teacher performance across the United States. VAMs isolate teachers' influence on student progress, while SGPs show how much a student grew compared to peers in the past. When SGPs are used within the context of estimating teacher performance, they are combined into a single measure by taking the median of student growth scores for a given teacher. This is referred to as the median growth percentile (MGP).[5]

> Utah's current student growth measures, while readily available, may not be the most effective way to measure teacher effectiveness in the context of Utah's merit-pay program.

Utah has SGPs and has access to teacher MGPs, but merit-award programs we reviewed in Chapter 2 of this report use VAMs, which measure teacher impact using different statistical

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[4] For the purposes of this section, we review student growth percentiles which are available for the RISE and Aspire Plus tests. Growth measures for Acadience appear to be used more for diagnostic purposes for young students and will not be discussed in-depth.

[5] MGPs will be discussed in more detail in Chapter 3.

techniques. While VAMs tend to outperform MGPs in certain situations, stakeholders are likely to find it easier to understand and interpret MGPs. In addition, VAMs have additional financial costs since Utah can already use MGP.

A Potential Concern Is That Growth Measures Fail to Account for Factors That Are Outside of a Teacher's Control. To assess this risk, we analyzed the extent to which student-level factors influenced MGP scores for Utah teachers. For example, increasing the number of special education students, English-language learning, and low-income students in a classroom tends to decrease a teacher's MGP.

Additionally, between 2021 and 2023, teachers who switched from non-high poverty schools to high-poverty schools experienced a decrease in MGP. Conversely, teachers who moved from high-poverty schools to non-high-poverty schools saw an increase in MGP. These relationships between student characteristics and MGP increase the difficulty for teachers with higher proportions of high-needs students to qualify for merit awards.

> **The relationships between student characteristics and MGP increase the difficulty for teachers with higher proportions of high-needs students to qualify for merit awards.**

While there appear to be benefits to using VAMs, it may be too costly.[6] Additionally, VAMs are not currently utilized in Utah and their practical advantage over MGP in estimating teacher effectiveness may be minimal. An alternative approach to using VAMs could be accounting for student characteristics into a modified MGP calculation. This could potentially improve teacher effectiveness measures by accounting for factors out of the control of teachers.

USU should determine whether MGP should be modified, replaced with VAMs, or left as is in the calculations of statewide teacher effectiveness for the purposes of Utah's merit-award program. They should report this information to the Education Interim Committee.
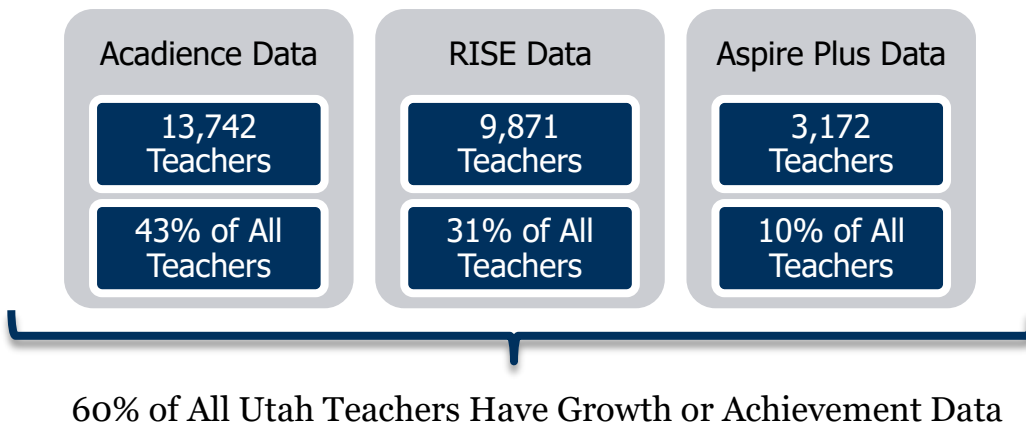

RECOMMENDATION 1.5

Utah State University's Center for the School of the Future should determine whether refinements to student growth percentile or an alternative measure of student growth are needed to better measure teacher performance for Utah's merit-award program. They should report this information to the Education Interim Committee no later than October 2024.

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[6] The Utah State Board of Education reportedly conducted a review of growth measurement and found the added precision of VAMs did not justify the additional cost.

Not All Teachers Have Readily Available Student Growth or Achievement Data

Statewide tests, including Acadience, Readiness Improvement Success Empowerment (RISE), and Aspire Plus, are only administered in certain grades in core subjects.[7] About 60 percent of all teachers currently teaching in Utah have a combination of achievement or student growth scores from standardized tests, leaving 40 percent of teachers without this data. The following infographic shows the breakdown of teachers with any student achievement or growth scores in Utah. Numbers in the infographic do not add up to 60 percent because we did not double count teachers that had data for multiple tests.

Acadience Data	RISE Data	Aspire Plus Data
13,742 Teachers	9,871 Teachers	3,172 Teachers
43% of All Teachers	31% of All Teachers	10% of All Teachers

60% of All Utah Teachers Have Growth or Achievement Data

Source: Utah State Board of Education data.

This leaves 40 percent of teachers for which growth or achievement data will have to be developed in order for them to be eligible for merit awards. In addition, the numbers in the infographic do not adjust for the possibility that some teachers may not have growth or achievement data for all of their classes in a secondary school. The unavailability of data for some teachers somewhat limits the potential impact of Utah's merit-award program, since the program requires student growth or achievement to be used to identify top teachers. Texas's program overcomes this obstacle in several ways. These include portfolios, using pre and post tests to measure growth, or using student learning objectives. Texas also validates student growth measures as part of the approval of LEA-designed systems for identifying high-performing teachers.

SB 173 requires USU to collaborate with LEAs on how to measure student growth or achievement in other grades and other subject areas in which there is

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[7] In grades kindergarten through 3, all students are tested on Acadience math and Acadience reading. The following RISE tests are given in the following grades: English language arts and math, 3rd-8th; science, 4th-8th, writing, 5th and 8th. In grades 9 through 10, students are tested on Aspire Plus English and reading, math, and science.

no standardized test data. However, SB 173 does not contemplate how to handle teachers with achievement or growth data for only certain classes or grades. USU should develop policies and procedures to help ensure that any alternative measures used for student growth or achievement in subjects and grades without standardized tests are validated and report to the Education Interim Committee on these efforts.[8] USU should also consider how to account for teachers who teach different classes and may only have student growth or achievement data for certain grades or classes. We believe these efforts by USU will increase trust in the program, increase the accuracy in measuring teacher effectiveness while increasing the opportunities for Utah teachers to become eligible for the program, and address potential equity concerns.

RECOMMENDATION 1.6

Utah State University's Center for the School of the Future should develop policies and procedures to ensure that any alternative measures used for student growth or achievement are validated. They should report to the Education Interim Committee on these efforts no later than October 2024.

1.3 Large Upfront Costs, Combined with One-Time Funding, May Impact Program Adoption

According to school districts and other stakeholders, a key to the success of Texas's voluntary merit-award program was the expectation that the program would continue into the future.[9] A reliable stream of funding may be an important factor in encouraging the adoption of Utah's voluntary program, which is modeled after Texas's program. Reliable funding is important because implementing merit-award programs can have large upfront costs for LEAs. Future assessments of the program should look at the impact of program funding on LEA adoption.

Our discussions with school districts in Texas indicate that they had to dedicate significant resources to develop valid systems for identifying high-performing teachers. Expending resources and staff time to develop a system was worthwhile to participating districts. We don't know what the upfront costs will

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[8] In this context, valid means accurately measuring what you are trying to measure, which in this case, is teacher effectiveness.

[9] It appears Texas created this expectation by building the program into public education funding formulas as part of a large revision in 2019.

be for a Utah LEA creating a process for identifying high-performing teachers, but they could be significant.

Alongside ongoing costs for operating their programs, Texas school districts told us about the difficulty and costliness of initially developing their process for identifying their best teachers. LEAs in Utah will have to undertake a similar process upfront if they choose to participate. For an LEA, this will involve developing a system for identifying their highest-performing teachers and getting their system approved by USU. In addition, Utah LEAs will not receive any funding tied to this program until after October 1, 2026. Utah's five-year pilot program for merit awards is currently funded using one-time money, which appears to include three years of payments to top-performing teachers. The uncertainty of future funding may discourage LEAs from applying for the program due to upfront costs and limit the impact of the program.

Interested LEAs receive final approval from USU for their plan to identify their best teachers no later than June 30, 2025. After this date, the Legislative Audit Subcommittee should consider having our office evaluate program adoption rates, including the potential impact of funding structure on participation.

RECOMMENDATION 1.7

After June 30, 2025, the Legislative Audit Subcommittee should consider having the Office of the Legislative Auditor General evaluate program adoption rates, including the potential impact of funding structure on participation.

In addition, consistent with language in SB 173 about the role of our office in future program evaluations, the Legislative Audit Subcommittee should consider having our office conduct an audit of the program's effectiveness at the conclusion of the pilot program.

RECOMMENDATION 1.8

The Legislative Audit Subcommittee should consider having the Office of the Legislative Auditor General conduct an audit of the merit-award program's effectiveness and implementation at the conclusion of the pilot program.

Chapter 2 of this report provides background information about other merit-award programs that we studied as part of this audit. It includes information about the potential for positive impacts of merit-award programs. It also includes lessons learned from programs that were unsuccessful. Chapter 3 of this report goes into greater detail on the current retention and compensation of teachers in Utah.

CHAPTER 2 Summary

The History of Merit-Award Programs Provides
Insight on Potential Best Practices and Pitfalls

LEGISLATIVE
AUDITOR
GENERAL

BACKGROUND

Current and former merit-award programs for teachers have had varying levels of success. Evidence indicates certain program design elements and strategies have contributed to program success or failure. In this chapter, we review five merit-award programs, both those that have been successful and those that have not, analyze their impacts, and examine their structures. Chapter 1 of this report discusses recommendations to help ensure effective implementation of Utah's new merit- award program. Chapter 3 reviews teacher pay structure and teacher retention in Utah in the context of Utah's new program.

FINDING 2.1
Merit-Award Programs Are Currently Having a Measurable Impact on Teacher Retention and Student Performance in Some Jurisdictions

No Recommendation

FINDING 2.2
Other Merit-Award Programs No Longer Exist or Did Not Have the Desired Impact

No Recommendation

FINDING 2.3
Success of Merit-Award Programs Appears to Depend on Implementing Key Design Elements

No Recommendation

CONCLUSION

Texas's Teacher Incentive Allotment, District of Columbia Public School's IMPACT, and Dallas Independent School District's Accelerating Campus Excellence programs have all had positive impacts on the retention of high-performing teachers. In some cases, they also measurably improved student performance. Certain elements of these programs' designs and implementation seem to explain some of their success. In addition, unsuccessful merit-pay programs highlight some possible pitfalls for these types of programs. Objectivity in identifying high-performing teachers, significant award size, state-level caps, gradual implementation, and separating merit pay from base pay all appear to have contributed to the success of merit-award programs.
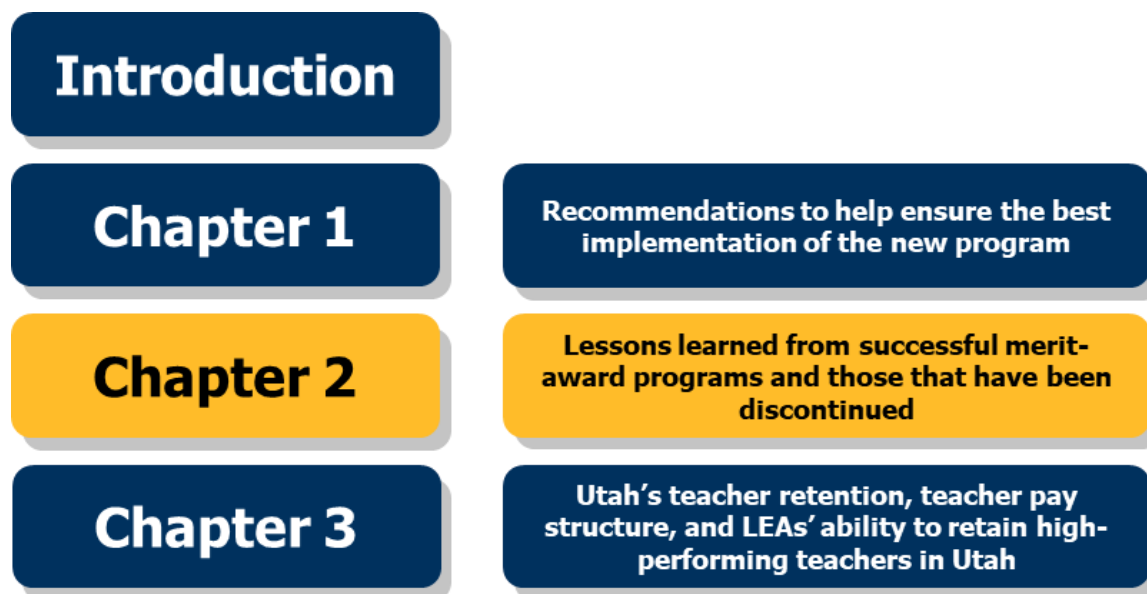
Chapter 2
The History of Merit-Award Programs Provides Insight on Potential Best Practices and Pitfalls

States, cities, and school districts have implemented merit awards for teachers with varying levels of success. In this chapter, we cite examples where merit-award programs have successfully improved teacher retention and, in some cases, positively impacted student performance. We also review past programs that were ultimately unsuccessful in Utah and Denver Public Schools. These examples provide insight for policymakers and stakeholders to consider that show how to implement an effective merit-award program.

Work on this audit began before, and proceeded independently of, Senate Bill 173 passed during the 2024 General Session that created Utah's merit-award program. This chapter serves as a review of merit-award programs and supports recommendations made in Chapter 1 of this report about Utah's new program. The following infographic shows how this chapter relates to other chapters in this report.

Introduction	
Chapter 1	Recommendations to help ensure the best implementation of the new program
Chapter 2	Lessons learned from successful merit-award programs and those that have been discontinued
Chapter 3	Utah's teacher retention, teacher pay structure, and LEAs' ability to retain high-performing teachers in Utah

2.1 Merit-Award Programs Are Currently Having a Measurable Impact on Teacher Retention and Student Performance in Some Jurisdictions

The state of Texas, District of Columbia Public Schools, and Dallas Independent School District successfully used merit awards to improve teacher retention and student achievement. In order to determine the factors contributing to their

success, we spoke to each of these programs, including seven school districts in Texas, and conducted a thorough review of relevant reports and studies.

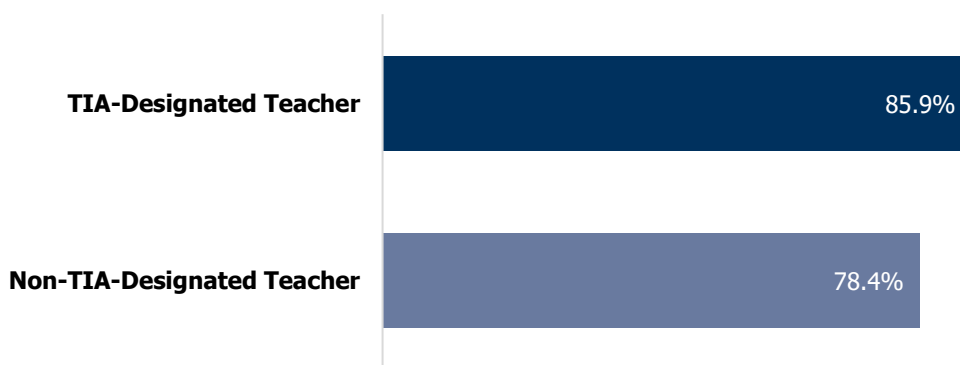## The Texas Incentive Allotment Has Increased Effective Teacher Retention Rates in Participating LEAs

The Texas Legislature created the Teacher Incentive Allotment (TIA) in 2019 to address teacher turnover and recruitment, particularly in high-needs schools. It has led to an increase in teacher retention in participating school districts.

TIA requires each participating LEA to create a locally designed and externally validated system that identifies top-performing teachers. The Texas Education Agency (TEA) requires each participating LEA to factor in at least student growth and teacher observation scores into these systems. Texas Tech University reviews LEA designations to ensure the data used in district designation systems are objective, valid, and reliable. Rewards associated with designations range from $3,000 to $32,000 depending on teacher designation level and school demographics. The Texas Education Agency reported the following information found in Figure 2.1 on retention rates for TIA-designated teachers compared to non-TIA-designated teachers.

> **An external evaluation of the first cohort of districts that participated in TIA found that they experienced retention rates that were 2.5 to 5 percent greater than control groups.**

Figure 2.1 Teachers who receive a TIA Designation in Texas Have Experienced a Higher Retention Rate. TIA-designated teachers have a 7.5 percent higher retention rate than their non-TIA-designated peers.

TIA-Designated Teacher: 85.9%

Non-TIA-Designated Teacher: 78.4%

Source: Texas Incentive Allotment Annual Report 2022-2023.

An external evaluation[10] of the first cohort of districts that participated in TIA found that they experienced retention rates that were 2.5 to 5 percent greater than their control group. The effect was twice as large among teachers with 2 to 5

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[10] From Incentive to Impact: The Texas Teacher Incentive Allotment's Path to Improved Retention and Achievement. Presented at the Association for Education Finance and Policy Conference, March 2023.

years of experience. The evaluation also found TIA districts experienced improvements in math and reading scores. The improvements in math were equivalent to the achievement gap between economically disadvantaged and non-economically disadvantaged students.

Interviews With Multiple School Districts Highlighted Program Benefits. To better understand TIA's design, implementation, and impact, we met with seven school districts representing rural, urban, and suburban areas that are currently implementing the program. Specific benefits that were mentioned included improvements in teacher pay, retention, evaluations, and collaboration. Specific challenges included increased workload for district staff, pressure on school administrators surrounding teacher evaluations, costs associated with implementation, and difficulties in designing student growth metrics for non-tested subjects. Districts indicated the following factors led to successful implementation:
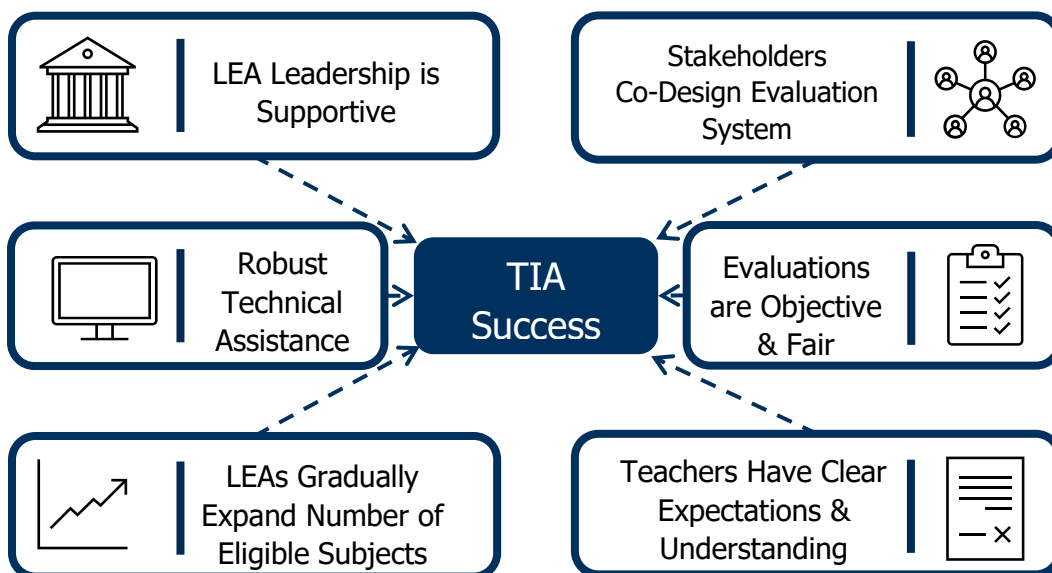
Source: Discussions and review of information related to Texas's TIA program.

According to school district administration and staff, the program's impact on teacher collaboration was generally positive or neutral. Not having a district-level cap on the percentage of teachers who could qualify was listed as a contributing factor.

We spoke with Dr. Erik Hanushek, an education economist with significant experience related to merit-award programs. He described TIA as a successful program.

> *TIA is good policy because it is not a regulatory program that provides mandates to LEAs and focuses on their compliance. Instead, it is an optional program with*

broad parameters that gives LEAs grant money if they want it. It specifies outcomes and leaves districts to determine how they want to accomplish them. Additionally, it impacts student learning through strategically influencing high-performing teachers to remain in the classroom longer and work with students who have higher learning needs.

DC IMPACT Has Increased the Retention of Effective Teachers, Especially in Hard to Staff Schools

District of Columbia Public Schools redesigned its teacher evaluation and compensation processes in 2009 as a part of a broader reform to improve its low-performing school system. The resulting merit-award program known as IMPACT gives teachers additional compensation if they continue teaching within the district. The program has resulted in increased teacher retention and improved student outcomes.

Overall teacher retention in the district improved by 7.5 percent from the 2010 to the 2019 school years. Within-school retention of highly effective teachers was similar between Title I and Non-Title I schools.

The program uses multiple measures to estimate teacher efficacy including teacher observations, value-added scores, student surveys, commitment to the school community, and professionalism. Teachers who receive highly effective and effective ratings are eligible to receive increased compensation through salary schedule advancements and bonuses. Bonuses range from $3,000 to $25,000 depending on rating, teaching assignment, and school poverty level. Less effective teachers are subject to separation from the district if their rating is insufficient or does not improve over time. Internal and external evaluations came to the following conclusions about the program.

> Overall teacher *retention in the district improved by 7.5 percent* from the 2010 to the 2019 school years. Within-school retention of highly effective teachers was similar between Title I and Non-Title I schools.

> The *program increased the effectiveness of teachers* who were on the verge of receiving financial incentives the previous year by more than the average growth a new teacher experiences in a full academic year.

> Over the first three years of the program, *the average quality of new teachers was higher than the quality of the dismissed teachers* whom they replaced. Subsequent gains in student achievement was equal to an additional four months of instruction for students.

In a survey, *a majority of teachers indicated the program supported their professional growth*. However, this is tempered somewhat by interviews and focus groups that indicated the program created a negative culture of competition.
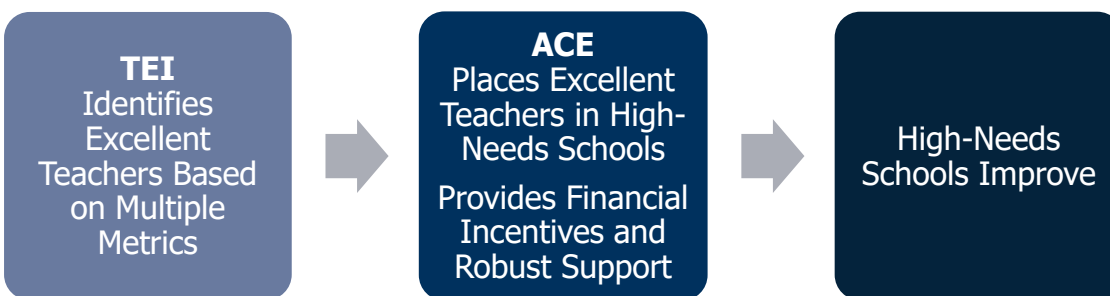
Dallas Successfully Incentivized High-Performing Teachers to Teach in High-Needs Schools by Adopting an Incentive Pay Program.

The Accelerating Campus Excellence (ACE) and Teacher Excellence Initiatives (TEI) at the Dallas Independent School District predate Texas's TIA program. ACE and TEI began out of a desire to have the district's most effective teachers work in its lowest-performing schools. Together, these programs reward teachers based on performance and incentivize them to work in high-needs schools. The overall program in Dallas, which includes merit awards, resulted in substantial improvement in student achievement and positively impacted teacher retention.

> **The overall program in Dallas resulted in substantial improvement in student achievement and positively impacted teacher retention.**

TEI utilizes multiple measures to evaluate teacher performance, and teacher salaries are determined solely by evaluation scores. ACE leveraged a re-staffing model aimed at improving the workforce quality at the district's lowest performing schools and also included extended school hours and other interventions. Teachers who worked in ACE schools received a $2,000 signing bonus and an annual stipend ranging from $6,000 - $10,000 depending on position and evaluation scores. When participating schools experienced sufficient improvement, Dallas removed many elements of ACE, including salary stipends for most teachers. The teachers who continued to receive stipends did so in conjunction with taking on additional responsibilities. The following infographic summarizes the program.

TEI	ACE	High-Needs
Identifies Excellent Teachers Based on Multiple Metrics	Places Excellent Teachers in High-Needs Schools — Provides Financial Incentives and Robust Support	Schools Improve

ACE's first two cohorts underwent an external evaluation, which demonstrated substantial growth in student achievement. As a result, the district's lowest-

performing schools approached the average level of all schools in the district. Their respective control groups saw little to no change in achievement scores. As ACE students transitioned into middle school, the persistence of their learning gains suggested that enhanced cognitive skills, rather than test preparation, were responsible for the long-term effects. The schools that experienced these large gains in learning exited ACE status. The retention rate of highly-rated teachers fell by nearly 50 percent after ACE was removed and average student achievement eventually declined to near pre-ACE levels.

2.2 Other Merit-Award Programs No Longer Exist or Did Not Have the Desired Impact

Teacher merit-award programs in Utah and Colorado experienced some successes but failed to account for teacher perception and experiences. These programs appear to have created cultures of competition and pay instability that resulted in stress and anxiety for teachers that influenced them to oppose merit awards.

Utah Career Ladders Incentivized Teachers to Compete Against Each Other

Utah's Career Ladders program began in 1983 and was designed to attract and retain good teachers by offering them incentives. The Legislature eventually discontinued the program in 2012 since districts were no longer implementing the merit-award portion of the program. The program required districts to implement a system that included an extended school year to incorporate teacher professional days, additional opportunities for teachers to work to earn more money, and merit awards. Evaluations of Utah's Career Ladders program were limited in their ability to estimate program outcomes and relied primarily on surveys and interviews. Evaluations found that the most popular element of the program was providing teachers with paid professional days, and merit awards were the most controversial. A survey indicated that 58 percent of teachers and 57 percent of principals supported merit awards as part of the Career Ladders program. However, teachers expressed concerns about the subjectivity and inaccuracy of performance evaluations. Additionally, educators indicated that the design of merit-award allocations may have hurt teacher collaboration. Principals had the task of selecting a set percentage of teachers within their schools to receive bonuses, which placed teachers in direct competition with each other.

> **Utah's Career Ladders program began in 1984 and was designed to attract and retain good teachers by offering them incentives. The Legislature eventually discontinued the program in 2012 since districts were no longer implementing the merit-award portion of the program.**

An audit by our office conducted in 1998 described that merit awards are difficult for districts to implement and the "subjective nature of teacher evaluations… create[d] dissatisfaction among those not receiving bonuses." The audit further described that the state-level guidelines provided districts with significant discretion in how they chose to use program funds. Between 1987 and 1998, the total amount of Career Ladder funds allocated to merit awards declined from 22.5 percent to 11.5 percent. Eventually, the Legislature discontinued the program when it became clear that districts were no longer using Career Ladders funds to identify and reward high-performing teachers.

Denver ProComp Improved Teacher Retention, But Ultimately Was Eliminated Due to Pay Uncertainty and Teacher Perception

In the early 2000s, Denver Public Schools developed a salary structure that rewarded teachers for performance and professional development. The resulting program, Denver ProComp, provided teachers with four avenues to increase their compensation. These included improving student growth, teaching in hard-to-staff schools or assignments, developing professional knowledge and skills, and earning high evaluation scores.

Several program evaluations indicated that Denver ProComp had a positive influence on effective teacher retention, recruitment, and student achievement.

Several program evaluations indicated that Denver ProComp had a positive influence on effective teacher retention, recruitment, and student achievement. Specifically, students in ProComp schools experienced positive trends in student achievement scores while teacher retention improved compared to their matched schools. One evaluation determined that teachers who received larger financial incentives had higher retention rates than those who received smaller incentives. For example, teachers who received a bonus less than $2,000 a year experienced an 83 to 84 percent retention rate, while teachers who received a $14,000 bonus experienced a 92 to 95 percent retention rate.

An evaluation using teacher survey data showed that a plurality of teachers who participated in ProComp held favorable views of the program. However, teachers mentioned three main concerns regarding the program. First, it increased their stress levels. Second, the complex incentive system was hard to comprehend and made it challenging to predict their paychecks. Third, the bonuses offered were insufficient to compensate for the decrease in base pay resulting from changes to the salary structure. The district also reduced the size of merit bonuses in 2008 to keep the program financially solvent amid strong growth in the number of students and teachers in the district. Teachers also

observed a decrease in teacher retention in the district and attributed it to ProComp. However, while Denver's retention rate did decrease, it retained its high-performing teachers more effectively than districts statewide, that were also experiencing declines in teacher retention.

Over time, the shifting incentive amounts, the erosion of salary increases, and the perception that the program hurt retention contributed to teacher frustration and led to a strike. The strike resulted in a reformed pay system that reincorporated traditional steps and lanes.

2.3 Success of Merit-Award Programs Appears to Depend on Implementing Key Design Elements

Teacher merit-award programs differ in design. The programs that positively influence teacher retention and student learning appear to share key design elements. The following infographic summarizes five practices that appear to have contributed to the success of the respective merit-award programs.
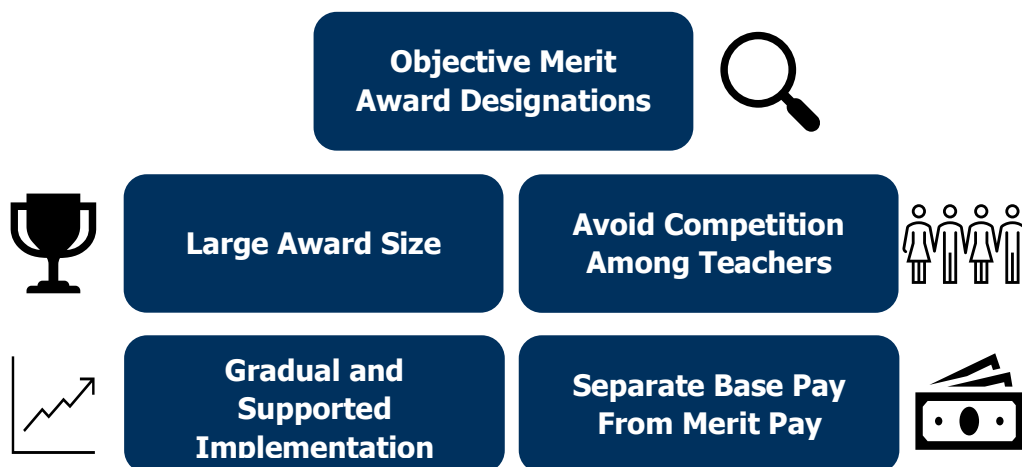
These five practices provide context for the recommendations in Chapter 1 of this report. They are discussed in more detail in the following section of this chapter.

Objectivity in Identifying the Highest-Performing Teachers Appears to Build Trust Among Teachers and Leaders

Our review of other merit-award programs suggests that objectivity in identifying high-performing teachers is key to program success. When teachers perceive designation systems as lacking objectivity and transparency, it erodes their trust in the system and reduces their buy-in and support. We believe using multiple measures to estimate teacher effectiveness and involving a third party to validate data are best practices.

Using multiple measures to estimate teacher effectiveness provides a more holistic picture of teacher performance than any single measure. The most commonly utilized measures are administrative evaluations and student growth scores. Administrative evaluations can measure the extent to which teachers engage in observable research-based practices. Student growth measures quantify the changes in student proficiency throughout an academic year. Other measures, such as student surveys, parent surveys, and peer surveys, capture the experiences of individuals who interact with teachers. Research on teacher evaluations widely recommends using multiple measures, and the programs we reviewed in this chapter – Texas's TIA, DC IMPACT, and Dallas Independent School District's ACE and TEI programs – practice this approach.

Best practices to improve the integrity of teacher merit-award systems involve using multiple measures to estimate teacher effectiveness and a third party to validate data used to designate teachers.

Validating data through a third party helps ensure the data collected for teacher designations are valid and reliable. Bias in administrative evaluations and teacher rating inflation can be obstacles to implementing a teacher designation process that is fair. Teachers in DCPS and TIA-implementing districts in Texas expressed concern that the personal opinions of administrators can influence their observation scores and sometimes do not accurately reflect their performance.

To address the issues of bias in administrative evaluations and teacher rating inflation, TIA uses Texas Tech University to analyze and validate the data used by LEAs to designate teachers for merit awards. Recommendations in Chapter 1 of this report focus on the need for objectivity and comparability in the criteria used to identify top-performing teachers.

## Larger Performance Awards Appear to Influence Teacher Behavior More Than Small Awards

Increased award sizes are associated with measurable improvements in teacher retention. During the implementation of ProComp, Denver Public Schools experienced a positive and statistically significant increase in teacher retention rates for every $1,000 increase in merit awards. Figure 2.2 shows the retention rates of Denver teachers that received different bonus amounts.

Figure 2.2 Award Size Influenced Teacher Retention Rates in Denver. Denver teachers who received larger merit awards stayed in the district at higher rates.

Retention Rate

Award of More than $14,000	~ 92-95%
Award of Less Than $2,000	~ 83-84%
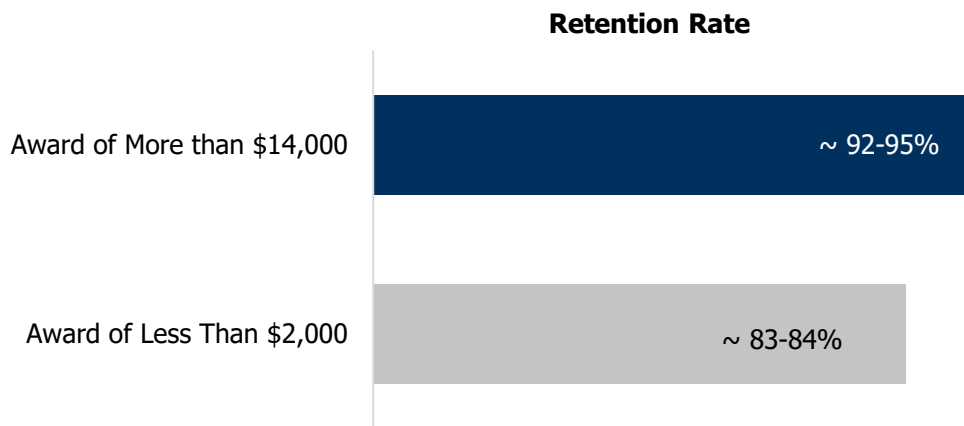
Source: Putting Performance to the Test: Effects of Denver ProComp on the Teacher Workforce and Student Outcomes

District of Columbia Public Schools observed a similar trend in teacher retention as that shown in Figure 2.2 for Denver. Teachers who received the highest financial incentives were retained at higher rates.

This aligns with research on the relationship between compensation and teacher retention nationwide. One study found that a $1,000 increase in salary was associated with a three to six percent decrease in the odds of turnover. Another study found – after controlling for teacher characteristics – that a $1,000 difference in compensation was associated with a three percent decrease in teacher departure. A third study reported that a 10 percent increase in teacher pay reduces the probability of departure from a school by one to four percentage points. The impact of compensation on teacher retention rates is unknown for Utah. However, evaluations and studies suggest that it can have a positive influence. Utah's merit-award program which begins in 2024 provides similar incentives found in programs that have successfully increased teacher retention and student performance.

A State-level Cap on Teacher Designations Can Preserve Teacher Collaboration

A key consideration for any teacher incentive program is determining how many teachers can receive merit awards. Teacher rating inflation occurs when teacher evaluation scores artificially increase without corresponding improvements in student learning. This can undermine the integrity of merit-award systems by rewarding teachers based on factors unrelated to their actual performance.

Programs that set a cap on teacher merit awards at the school or LEA level can foster unhealthy competition among teachers. Reducing a teacher's ability to earn financial rewards when their intra-school or LEA peers qualify for merit awards can create an environment where teachers are less willing to collaborate and share best practices. This is a commonly cited byproduct of teacher merit awards and played a role in the negative experiences Utah teachers had when participating in Career Ladders. Preserving environments that promote collaboration among teachers is important because effective teacher collaboration is one of the most influential factors in improving student achievement.

Texas's TIA program addresses this concern by implementing a state-level cap on the percentage of teachers that can qualify for merit awards. This ensures that a teacher's chances of earning an award are not significantly reduced if another teacher in their school or LEA receives an award.[11] This reduces the incentive for teachers to compete with each other and does not provide a disincentive for collaboration. Utah's Career Ladders for teachers instructed LEAs to use quotas to identify their top performing teachers, and some LEAs enforced percentage caps at the school level. This created competition among teachers for a limited number of merit awards within schools. Districts in Texas whom we visited tended to describe that their program had a positive or neutral effect on collaboration. The state-level cap was attributed as a contributing influence. Utah's merit-award program that will begin in 2024 sets a statewide cap of the top 25 percent of all teachers, similar to Texas's TIA.

> **Utah's merit-award program that is set to begin in 2024 sets a statewide cap of the top 25 percent of all teachers, similar to Texas's TIA.**

Gradual and Supported Implementation May Increase the Likelihood of Program Success

Teacher merit-award programs can be difficult to implement. Leaders of Texas's TIA-participating districts whom we spoke to recommended a gradual approach to implementing teacher awards. By initially involving a small number of teachers in tested subjects and steadily expanding to include teachers in additional subjects, they had the time and space to develop an objective and transparent system.

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[11] When merit awards are enforced at a school level, the number of teachers that can receive the bonus is limited to 25% for that school. As an example, for a school with 20 teachers, only 5 can receive the merit increase. By contrast, if it is enforced at a state level, all 20 teachers have the potential to receive the merit increase if their performance is in the top 25% of the state.

Districts that received strong technical assistance from the Texas Education Agency and third-party providers reported improved implementation processes. The support they received helped them improve the design of their designation systems, streamline implementation, and answer questions about compliance.[12] Utah's merit-award program created by Senate Bill 173 in 2024 is voluntary for LEAs. It also provides LEAs the ability to submit additional teachers in subsequent years and establishes Utah State University as an entity to provide technical assistance. The program creates an opportunity for Utah LEAs to gradually adopt the program and receive support.

> 🔍 **Utah's new merit-award program is voluntary for LEAs and creates an opportunity for LEAs to gradually adopt the program and receive support.**

Separating Merit Awards from Base Pay Can Reduce Teacher Stress

The final practice we highlight in this chapter based on our review is separating merit awards from base pay in order to lower the stakes surrounding merit-award programs. Tying merit awards to base pay can cause teachers to describe anxiety over not knowing what their salary will be each year. This theme is prevalent in teacher sentiment about Denver ProComp and DC IMPACT. Both programs infuse(d) merit-award mechanisms within teacher salary schedules, and teachers reported experiencing stress over the instability of their salaries. Because stress is one of the largest reasons teachers leave the profession, it is essential that merit-award programs minimize the amount of additional stress they place on teachers.

> 🔍 **Beginning in 2024, Utah's merit-award program provides a supplement on top of teacher's existing compensation, similar to Texas's TIA program.**

Texas's TIA separates teacher merit awards (determined by Texas's legislature) from base pay (determined by LEAs). This separation ensures teachers have access to a stable and predictable source of income while also having the opportunity to earn additional compensation tied to performance. Beginning in 2024, Utah's merit-award program provides a supplement on top of teachers' existing compensation, similar to Texas's TIA program.

As previously mentioned, we direct the reader to Chapter 1 of this report for recommendations related to information laid out in this chapter.

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[12] The Commit Partnership has been cited as playing an influential role in helping districts adopt and navigate TIA.

LEGISLATIVE AUDITOR GENERAL

BACKGROUND

Teachers in Utah are generally paid according to their level of education and their years of experience and not on performance. Senate Bill 173, which passed during the 2024 General Session, creates a merit-award program that rewards the state's best teachers. This chapter reviews teacher pay structure and teacher retention in Utah in the context of Utah's new merit-award program. Chapter 1 of this report discusses recommendations to help ensure effective implementation of the program. Chapter 2 reviews merit-award programs, both those that have been successful and those that have not.

FINDING 3.1
Pay Structure Makes It Difficult to Target Retention of High-Performing Teachers

No Recommendation

FINDING 3.2
Utah's Teacher Retention Rate is High but Varies by Type of School

No Recommendation

CONCLUSION

Salary schedules for teachers limit the ability of local education agencies to target the retention of high-performing teachers. Teacher retention in Utah is overall high compared to other states and varies by type of school. Additionally, teacher effectiveness isn't generally a factor in teacher retention efforts. High-poverty schools have lower teacher retention than non-high-poverty schools. Merit-award programs, like the one created by Senate Bill 173, have the potential to strategically target the retention of Utah's top-performing teachers.
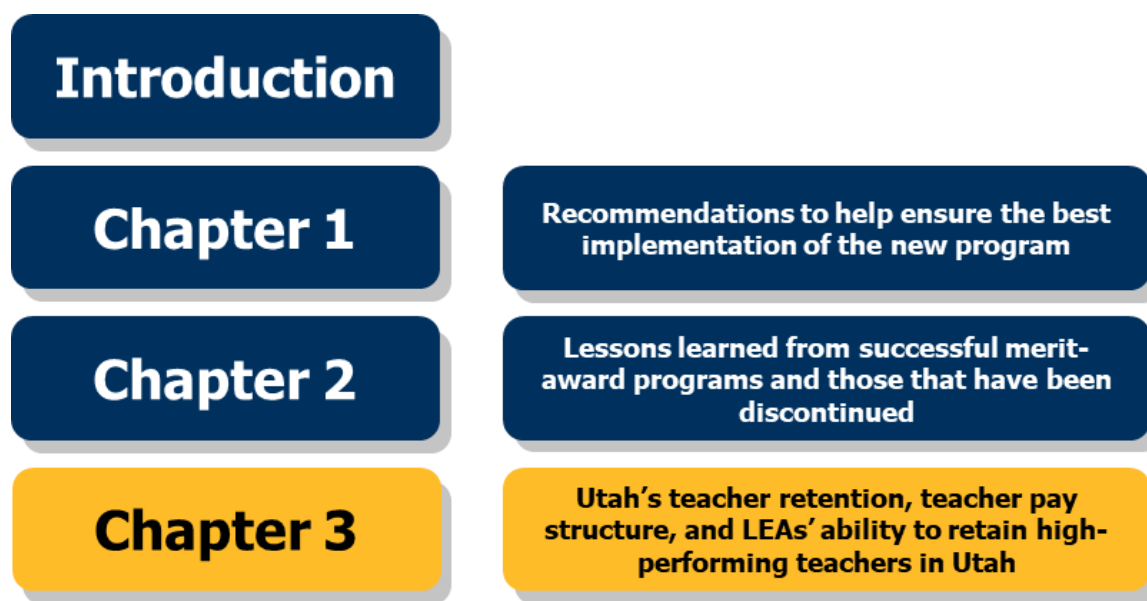
Chapter 3
Utah Has High Overall Teacher Retention but the State Could More Effectively Reward Its Best Teachers

Teachers vary in their effectiveness, but these differences do not drive differences in pay. The structure of teacher pay in Utah limits the ability of local education agencies (LEA) to reward and retain their best teachers. While Utah's overall teacher retention rate is high compared to other states, retention varies by type of school, with high-poverty schools having a harder time retaining teachers. As mentioned earlier in this report, in 2024, the Utah Legislature passed Senate Bill 173 (SB 173), creating a merit-award program aimed at retaining top-performing teachers. This program creates an additional tool for LEAs to strategically target the retention of their best teachers and to provide rewards for high-performing teachers that teach in high-poverty schools. The following infographic shows how this chapter relates to the previous chapters in this report. Report recommendations are all contained in Chapter 1 of this report.

Introduction

Chapter 1 — Recommendations to help ensure the best implementation of the new program

Chapter 2 — Lessons learned from successful merit-award programs and those that have been discontinued

Chapter 3 — Utah's teacher retention, teacher pay structure, and LEAs' ability to retain high-performing teachers in Utah

3.1 Pay Structure Makes It Difficult to Target Retention of High-Performing Teachers

LEAs use salary schedules to determine teacher pay, which can hinder the ability of schools to selectively retain high-performing teachers. While most teachers report they do not leave their positions because of pay, they describe that

increased compensation could incentivize them to remain at their schools and in the profession. Prior to 2024, the Legislature took steps to selectively retain high-performing teachers at high-poverty schools, and those efforts seem to have improved retention. The merit-award program created by SB 173 adds a tool to help LEAs retain high-performing teachers.

Teacher Compensation is Mainly Determined by Education Level and Years of Experience

Teacher salary schedules generally comprise steps and lanes, where steps refer to a teacher's years of experience and lanes indicate a teacher's education level. As teachers obtain more education and increase their years of experience, they receive more compensation. Figure 3.1 shows salary ranges for five randomly selected school districts.

Figure 3.1 Teacher Salary Depends on Educational Attainment and Years of Experience and Varies Between School Districts. Each line on the graph represents a different salary schedule, one for a bachelor's degree (blue) and one for a master's degree (yellow), for five school districts.
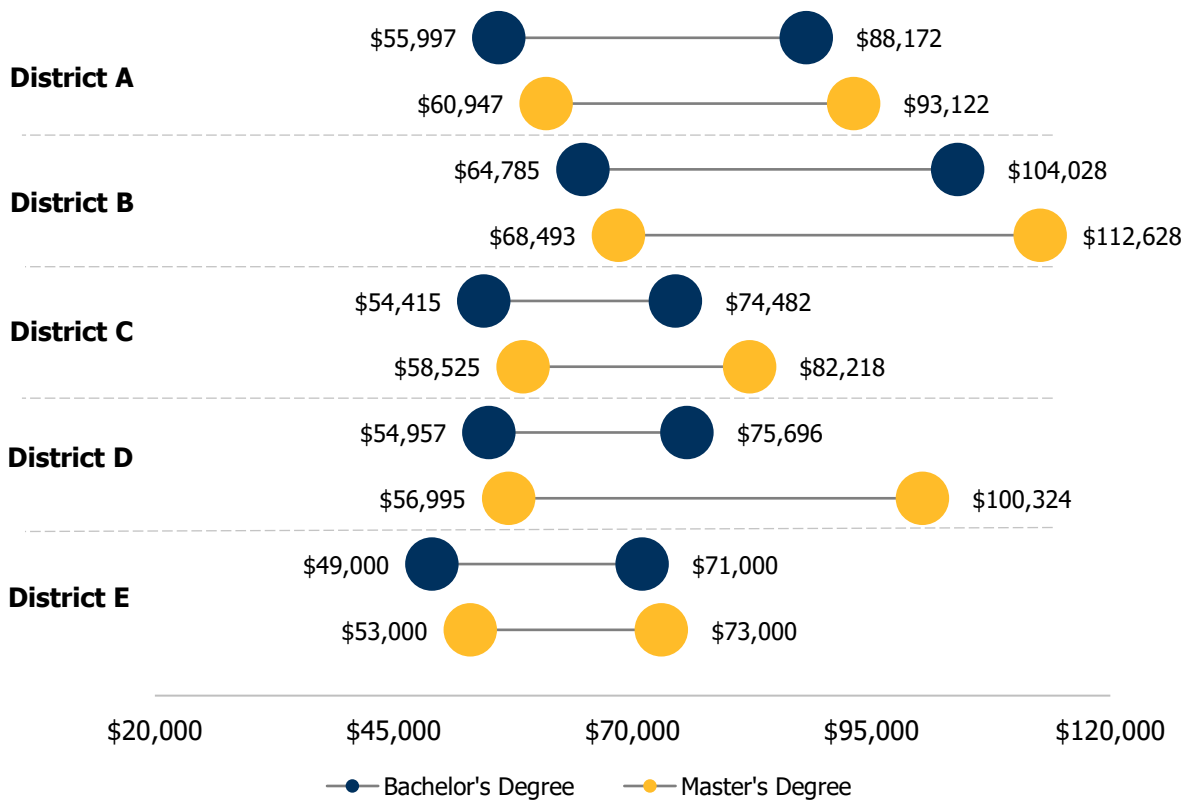
Source: Utah Education Association data.
Note: Additional lanes for education above a master's degree exist but are not included in this figure.

A teacher with a bachelor's degree in District A, for example, makes a minimum of approximately $56,000 and a maximum of $88,000. The maximum increases to about $93,000 for a teacher with a master's degree.[13] This means, given the level of experience and education of a teacher in a specific LEA, one can determine their salary, regardless of their performance.

Teachers Appear to Be Responsive to Financial Incentives

Teachers express that a variety of factors influence their decision to remain in the classroom. A previous legislative audit found that across 212 statewide interviews, teachers reported stress, workload, administrative support, and compensation as important factors that drive their retention. These findings align with the Utah State Board of Education's (USBE) *2022 Educators Exit Survey*, which identified teacher burnout, job-specific stressors, and pay as the main factors affecting retention.

In both studies, teachers listed pay as the third most influential reason behind their decision to leave the classroom.[14] However, when asked, the highest percentage of teachers interviewed by legislative auditors (31 percent) and surveyed by USBE (59 percent) stated that a pay increase would encourage them to stay.[15] When summarizing their survey findings, USBE stated:

> **A previous legislative audit found that across 212 statewide interviews, teachers reported stress, workload, administrative support, and compensation as important factors that drive their retention.**

Utah State Board of Education Teacher Exit Survey:

"While educators do not leave their positions primarily because of their pay, they may be incentivized to endure other influential factors if their pay were higher."

In USBE's *2023 Teacher Exit Survey*, teachers who cited leaving their position for pay-related reasons listed increases to cost of living, respect for the profession, and workload as the major influences for their departure.

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[13] LEAs also generally have a salary range for teachers with education above a master's degree.

[14] This aligns with national survey data. Nine percent of teachers who left their school or left the teaching profession after the 2020-2021 school year listed higher compensation as the primary reason for their departure. https://nces.ed.gov/pubs2024/2024039SummaryM.pdf.

[15] See Techer Interviews Summary Dashboard.

Teachers have also demonstrated a willingness to teach in high-poverty schools in exchange for additional compensation. The Legislature created the Effective Teachers in High Poverty Schools Program in 2017, which aims to improve the

retention of high-performing teachers in high-poverty schools. The program awards bonuses to teachers who achieve sufficiently high student growth and teach at an eligible public school. According to USBE's evaluation,[16] teachers who participated in the program had an eight-percentage points higher retention rate compared to teachers in other schools in the 2020-2021 school year. The evaluation reports 66 percent of teachers who received the bonus and participated in USBE's study (33 of 50 teachers total), responded that the bonus had influenced their personal career decisions. The report on the Effective Teachers in High Poverty Schools program included the following teacher responses about the program:

"The bonus makes me want to stay working in a Title I when I have considered moving to an easier school or one closer to home."

"The bonus made me feel like the many many extra hours of planning quality lessons were almost worth it."

"I believe it is important to show teachers that they are valued."

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[16] *Effective Teachers in High Poverty Schools Incentive Program Report.* https://files.eric.ed.gov/fulltext/ED628589.pdf

"I would leave Title I teaching if the program ends. It's my biggest reason for staying."

"I was offered position at easier schools to teach at but turned them down to maintain the salary I currently have."

LEAs Cannot Strategically Target Teacher Retention Through Compensation Due to Pay Structure

Salary schedules appear to lack the flexibility to reward Utah's best teachers. When they were created, salary schedules were originally aimed at equitable compensation, regardless of gender or race. Now, salary schedules reward teacher experience and education.

> **LEAs cannot target the retention of high-performing teachers through compensation due to salary schedules.**

Under salary schedules, teachers can increase their salary by either obtaining additional education or working additional years. Neither factor consistently relates to increases in teacher effectiveness.[17] LEAs cannot target the retention of high-performing teachers through compensation due to these salary schedules. This can lead to potential problems when a principal knows one of their best teachers plans to leave teaching and cannot provide a financial incentive for them to stay.

> **The only mechanism principals had to selectively increase the pay of teachers they wanted to retain was by asking them to do more work like running after school programs.**

During the audit, we spoke to nine principals in five school districts representing districts of varying sizes and demographics. Some principals we interviewed described losing teachers they wish they could have kept at their schools because of pay-related reasons. Principals had only one financial mechanism to selectively increase the pay of teachers they wanted to retain, which was to ask them to do more work, such as running after-school programs. While these strategies sometimes work, principals described that teachers do not always believe the additional compensation is worth the increased workload.

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[17] Research indicates that teachers with graduate degrees in education are on average no more effective than their non-graduate degree peers. Research also shows that the returns from teacher experience on student learning diminish after the first few years in the classroom.

Identifying the Best Teachers Is the First Step in Strategic Retention. A potential second step is selectively increasing compensation, but salary schedules limit this. Principals in our sample told us who their best teachers were based on student growth, observations, and other factors.[18] This aligns with the data from three school districts we sampled—their highest rated teachers based on evaluations had higher student growth scores than lower rated teachers.[19]

> **Principals told us they knew who their best teachers were based on student growth, observations, and other factors.**

Utah's new merit-award program created by SB 173 has the potential to further target the retention of top-performing teachers, especially those in high-poverty schools. If teacher salary schedules remain unchanged, the program provides LEAs and schools with an additional tool to recognize and incentivize their top-performing teachers, particularly in challenging school environments. Chapter 2 of this report discusses what other jurisdictions around the country have done to use merit awards to strategically retain their highest-performing teachers.

3.2 Utah's Teacher Retention Rate is High but Varies by Type of School

Utah teachers remain in the profession at high rates and a teacher's performance level does not appear to vary significantly by effectiveness. However, teachers in high-poverty schools appear to leave their schools at higher rates than those in non-high-poverty schools, which can have a negative effect on students in those schools.[20] SB 173 provides incentives to the top-performing teachers which may increase retention and encourage them to teach in high-poverty schools.

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[18] Research indicates that both administrative observations and student growth scores are important components for estimating teacher effectiveness. Combined, these measures create a more holistic picture of teacher effectiveness. Other factors mentioned by principals include counselor sentiment, parent sentiment, student sentiment, and peer sentiment.

[19] See Chapter 1 for additional discussion.

[20] *How Teacher Turnover Harms Student Achievement*.
https://journals.sagepub.com/doi/abs/10.3102/0002831212463813

Utah's Overall Retention Rate for Teachers Compares Favorably to Other States

A recent study indicated that although Utah loses approximately nine percent of

its teachers each year, the state is better positioned than other parts of the country. According to a December 2023 report by the Kem C. Gardner Institute, Utah has the highest retention rate among all 50 states.[21] The rate has remained relatively constant from 2018 to 2023. This aligns with findings from a previous legislative audit that described Utah's teacher retention rate as one of the highest in the country.[22] Utah is generally performing well, but the Gardner report highlights variations in teacher retention rates. For instance, North Summit School District has a retention rate of 95 percent, while Logan City School District has a rate of 82 percent.

Teachers With Greater Student Growth Are Retained at a Similar Rate Overall to Teachers with Lower Student Growth

To understand how retention differs by teacher performance level, we analyzed median growth percentile (MGP) data for the 2021-2022 school year.[23] MGPs are the median of the student growth percentiles achieved by the students taught by a given teacher in a given year. A student growth percentile measures a student's improvement in end-of-year test scores compared to peers with similar past performance. However, it is only available for grades and subjects that have statewide tests.[24] Through analyzing both the top 25 percent and bottom 25 percent of teachers according to MGP, we found that teachers of varying

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[21] K-12 Teacher Shortages, Retention, and Salaries in Utah. https://d36oiwf74r1rap.cloudfront.net/wp-content/uploads/K-12-Teacher-Shortage-Dec2023.pdf. The measure used is number of vacancies per 10,000 students. Utah had 0.5 vacancies per 10,000 while Mississippi had 69 vacancies per 10,000 students.

[22] *A Performance Audit of Teacher Retention with Utah's Public Education System (2023-13)*. https://le.utah.gov/interim/2022/pdf/00002294.pdf.

[23] This year was selected to because it occurred after the COVID-19 Pandemic while still enabling a multi-year analysis of teacher and student data.

[24] Median growth percentiles are commonly used throughout the country for teacher evaluations and state education accountability frameworks. MGPs first became available in the 2018-2019 school year with the introduction of the RISE and Utah Aspire assessments. However, the COVID-19 pandemic disrupted testing during the 2019-2020 and 2020-2021 school years.

performance levels left the teaching profession at similar rates during the 2023-2024 school year.[25]

The next section details how retention patterns change when looking at teacher retention by school type.

High-Poverty Schools Appear to Have a Harder Time Retaining Teachers Compared to Non-High-Poverty Schools

Looking at all teachers in Utah, high-poverty schools retained teachers at a lower level than non-high-poverty schools in recent years. Figure 3.2 shows the two-year retention rates of teachers that were teaching in the 2021-2022 school year by type of school. Specifically, this shows the school-level retention rates for the two types of schools for all Utah teachers. (For this figure, a teacher is considered "retained" only if they keep teaching at their specific school.)

Figure 3.2 At the School Level, High-Poverty Schools Retain Teachers at a Lower Rate Than Non-High-Poverty Schools. Non-high-poverty schools retained teachers at a seven-percentage point lower rate between the 2021-2022 and 2023-2024 school years.

Non-High-Poverty School	69%
High-Poverty School	62%
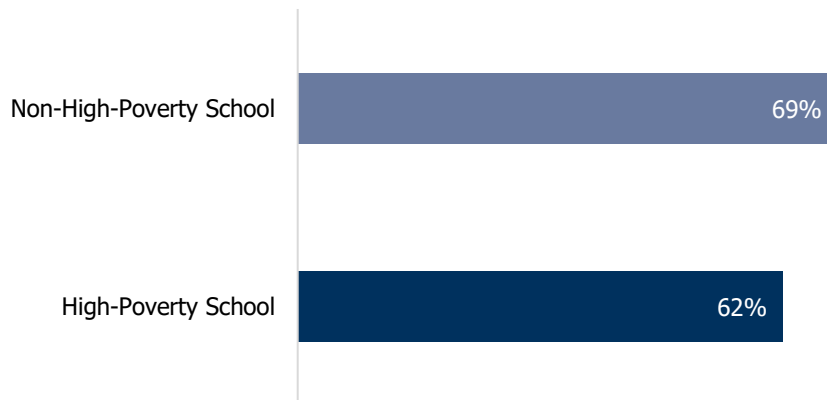
Source: Utah State Board of Education data.

> Over the span of two years, high-poverty schools lost a greater proportion of their teachers compared to non-high-poverty schools.

Over the span of two years, high-poverty schools lost a greater proportion of their teachers compared to non-high-poverty schools. This is an important difference because greater churn of teachers at a given school can have a negative impact on student performance. Data from the *National Principal and Teacher Survey* provides insights into why teaching at

[25] We arranged teachers into four equal-sized groups by MGP, ranging from the top 25 percent of teachers to the bottom 25 percent of teachers. We then looked at how many teachers remained in the teaching profession in Utah at the start of the 2023-2024 school year. We found that teachers of varying performance levels left the teaching profession at similar rates.

high-poverty schools can be more difficult than at low-poverty schools. These factors can contribute to higher teacher turnover. Figure 3.3 summarizes the opinions of teachers in low-poverty and high-poverty schools about which factors are a "serious problem" in their school.

Figure 3.3 The Percent of Teachers in High-Poverty Schools That Report Certain Problems Are "Serious" Is Much Higher Than the Percent of Teachers in Low-Poverty Schools. Besides poverty, student preparedness and parent involvement had the biggest differences between school types in teacher opinion on factors that are a serious problem at their school.
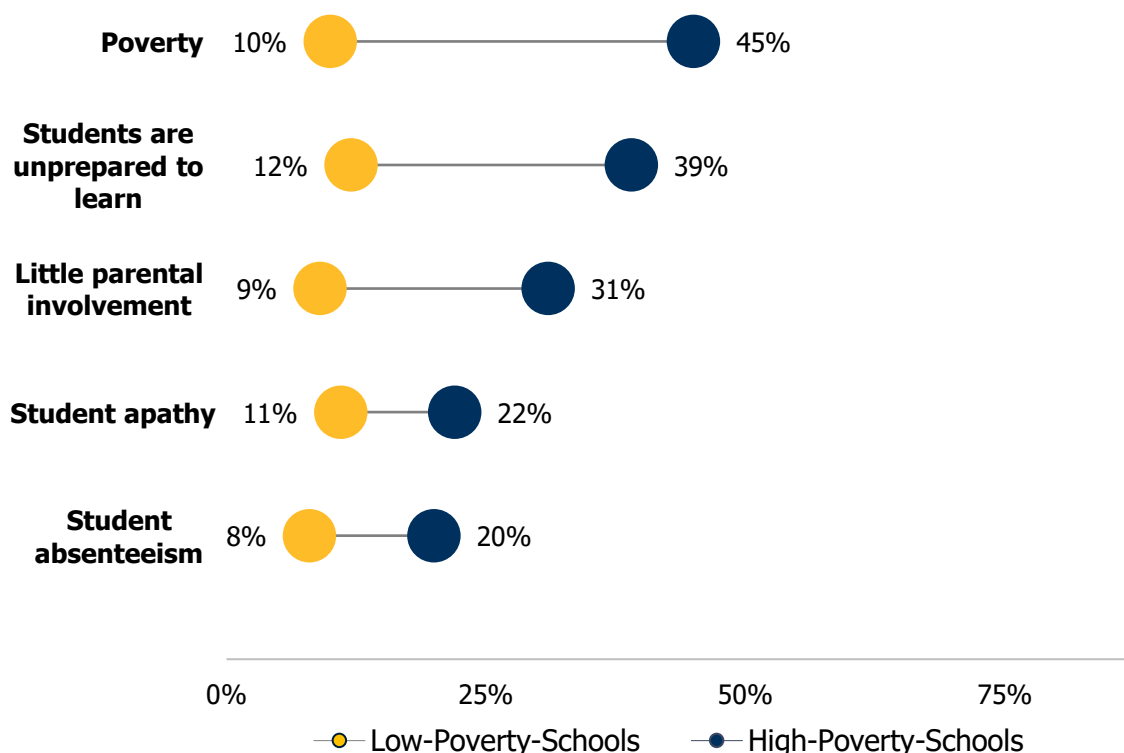
*Source: National Principal and Teacher Survey, reported by the Economic Policy Institute.*
*Note: The data in this figure comes from a study that looked at low-poverty schools and high-poverty schools, which is different from the rest of this chapter where we refer to non-high-poverty schools and high-poverty schools. This study's definition of high-poverty schools may differ from Utah's.

Each of these factors was considered a "serious problem" more frequently by teachers in high-poverty schools.

The difference in retention rates between the two types of schools also holds true when looking at teacher performance. Figure 3.4 shows that teachers of all performance levels stayed at non-high-poverty schools at higher rates than high-poverty schools. This figure only includes teachers with MGP data who teach subjects and grades with statewide tests.

Figure 3.4 High-Poverty Schools Retained Teachers at a Lower Rate at Every Performance Level. Between school years 2021-2022 and 2023-2024, retained teachers were more likely to stay at non-high-poverty schools regardless of performance level.
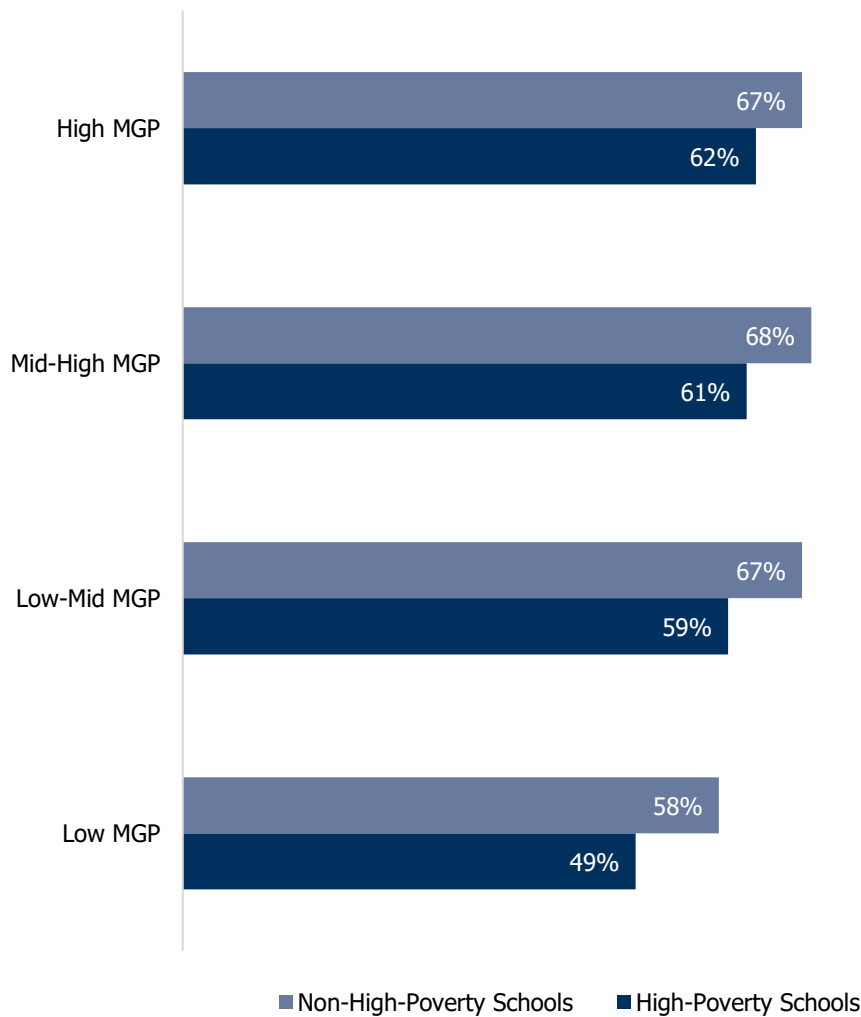
High MGP: Non-High-Poverty Schools 67%, High-Poverty Schools 62%
Mid-High MGP: Non-High-Poverty Schools 68%, High-Poverty Schools 61%
Low-Mid MGP: Non-High-Poverty Schools 67%, High-Poverty Schools 59%
Low MGP: Non-High-Poverty Schools 58%, High-Poverty Schools 49%

■ Non-High-Poverty Schools   ■ High-Poverty Schools

Source: Utah State Board of Education data.
Note: Only teachers with median growth percentile (MGP) data are included in this figure.

The difference in retention rate for the two types of schools appears to be most pronounced for the lowest performing teachers.
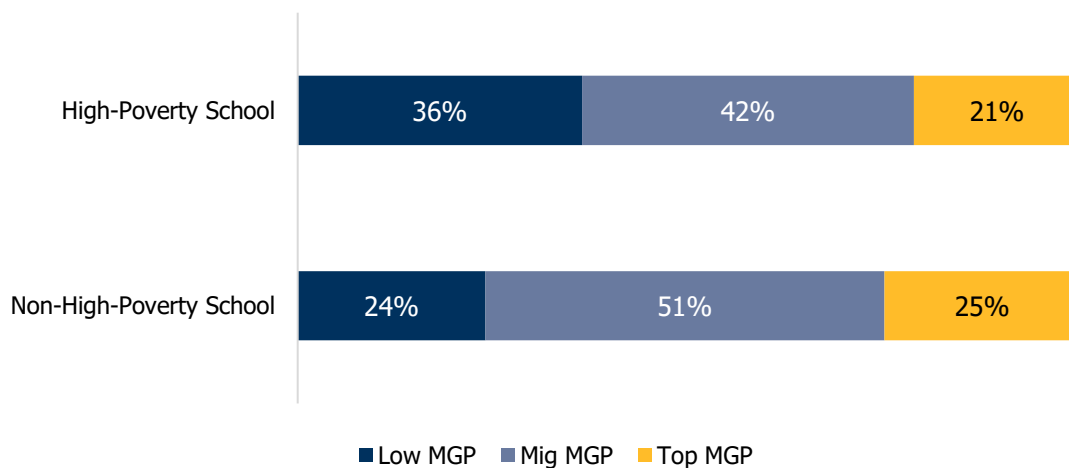
Non-high-poverty schools retained teachers at a higher rate at all MGP performance levels.

We also looked at the current composition of teachers by performance levels at high-poverty schools and non-high-poverty schools. We found that high-poverty schools tend to have both a lower proportion of high-performing teachers and a higher proportion of low-performing teachers. Figure 3.5 highlights the composition of high-poverty and non-high-poverty schools during the 2022-2023 school year by teacher performance.

Figure 3.5 High-Poverty Schools Generally Have a Lower Percentage of High-Performing Teachers and a Higher Percentage of Low-Performing Teachers. Issues inherent to MGP calculations may explain this.

School Type	Low MGP	Mig MGP	Top MGP
High-Poverty School	36%	42%	21%
Non-High-Poverty School	24%	51%	25%

■ Low MGP ■ Mig MGP ■ Top MGP

Source: Utah State Board of Education data.
Note: Only teachers with median growth percentile data (MGP) are included in this figure.

High-poverty schools had fewer high-performing teachers and more lower-performing teachers, in terms of MGP, than non-high-poverty schools. The differences in teacher makeup for the two types of schools may be partially explained by MGP calculations. Additionally, students in high-poverty schools tend to show less growth, despite having more room for it. Chapter 1 of this report discusses in greater detail how teachers with high-needs students are more likely to receive a lower MGP compared to their peers.

The Rate at Which Teachers Become Administrators is Low and Similar Across Teacher Performance Levels

A potential concern as it relates to teacher retention is that good teachers may leave the classroom to pursue positions in administration to increase their compensation. In three school districts we sampled, we concluded a first-year assistant administrator can make approximately $31,000 more than a teacher with a master's degree and ten years of experience.

> 🔍 **In our sample, a teacher with a master's degree and ten years of experience could make, on average, $31,000 more by becoming an administrator.**

Between 2022 and 2024, approximately two percent of teachers statewide left their position as a teacher to become administrators at the school or LEA level. Looking closer at teachers who became administrators, Figure 3.6 demonstrates that teachers who recently became administrators did so at similar rates, regardless of MGP. We are using low and high MGPs as a proxy for teacher performance.

Figure 3.6 Teachers with High Median Growth Percentiles Become Administrators at Similar Rates to Those with Low Median Growth Percentiles. This data is for school years 2021-2022 to 2023-2024 and includes any teachers that move to school or LEA administration positions.

- ■ **Low MGP** ■ **Low-Mid MGP** ■ **Mid-High MGP** ■ **High MGP**
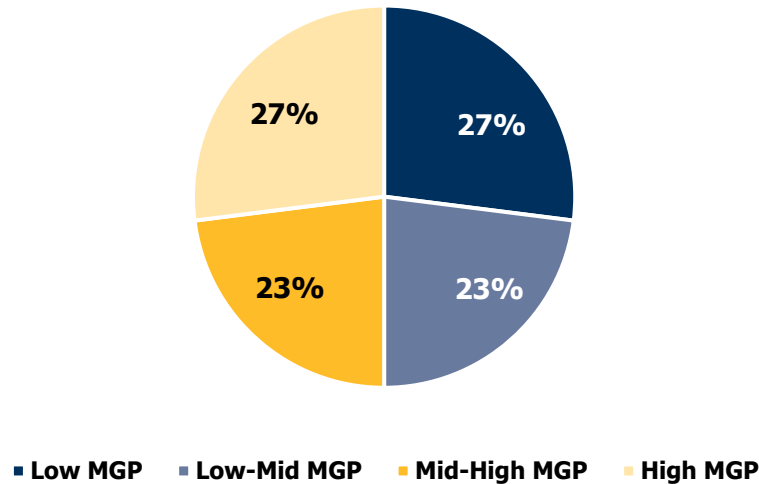
Source: Utah State Board of Education data.

The percentage of teachers that become administrators appears to be low, but it does not capture how many teachers are qualified and interested in becoming an administrator. The percentage of teachers who applied to become administrators would provide a more accurate picture of teachers who are interested in leaving their classrooms to become administrators.

Research indicates that teachers are the most influential school-level factor in improving student learning. By implementing a system that uses multiple measures to identify and reward Utah's top-performing teachers, LEAs can strategically influence their best teachers to remain in the classroom longer and work with our state's most disadvantaged students more. When high-performing educators stay longer and teach more high-needs students, it increases the likelihood that student learning will improve.

> **Research indicates that teachers are the most influential school-level factor in improving student learning.**

For example, Texas school districts reported that merit awards changed the decision of some teachers who were planning to become administrators and instead opted to remain in the classroom. Utah's program could increase the number of high-performing teachers that stay in teaching positions rather than administration.

As previously mentioned, we direct the reader to Chapter 1 of this report for recommendations related to information laid out in this chapter.

Complete List of Audit Recommendations

Complete List of Audit Recommendations

This report made the following eight recommendations. The numbering convention assigned to each recommendation consists of its chapter followed by a period and recommendation number within that chapter.

Recommendation 1.1

We recommend that Utah State University's Center for the School of the Future develop policies and procedures that take into account variation of teacher evaluation systems across local education agencies when identifying the state's highest performing teachers. They should report their findings to the Education Interim Committee no later than October 2024.

Recommendation 1.2

We recommend that Utah State University's Center for the School of the Future evaluate methods for determining teacher effectiveness statewide when teacher evaluation data is only available for participating local education agencies. They should report their findings to the Education Interim Committee no later than October 2024.

Recommendation 1.3

We recommend that Utah State University's Center for the School of the Future evaluate methods for determining teacher effectiveness statewide when parent survey data is only available for participating local education agencies. They should report their findings to the Education Interim Committee no later than October 2024.

Recommendation 1.4

We recommend that Utah State University's Center for the School of the Future ensure that local education agencies account for objectivity concerns for the nomination of teachers by principals or their designees and report to the Education Interim Committee no later than October 2024 on these efforts.

Recommendation 1.5

We recommend that Utah State University's Center for the School of the Future determine whether refinements to student growth percentile or an alternative measure of student growth are needed to better measure teacher performance for Utah's merit-award program. They should report this information to the Education Interim Committee no later than October 2024.

Recommendation 1.6

We recommend that Utah State University's Center for the School of the Future develop policies and procedures to ensure that any alternative measures used for student growth or achievement are validated. They should report to the Education Interim Committee on these efforts no later than October 2024.

Recommendation 1.7

We recommend that after June 30, 2025, the Legislative Audit Subcommittee consider having the Office of the Legislative Auditor General evaluate program adoption rates, including the potential impact of funding structure on participation.

Recommendation 1.8

We recommend that the Legislative Audit Subcommittee consider having the Office of the Legislative Auditor General conduct an audit of the merit-award program's effectiveness and implementation at the conclusion of the pilot program.

Agency Response

UtahStateUniversity

May 6, 2024

Kade R. Minchey CIA, CFE, Auditor General
Office of the Legislative Auditor General
Utah State Capitol Complex Rebecca Lockhart House
  Building, Suite W315
PO Box 145315
Salt Lake City, Utah 84114

Dear Mr. Minchey,

We extend our gratitude for your team's contributions towards informing the planning and successful execution of Utah's Senate Bill 173 – Excellence in Education and Leadership Supplement, also known as Utah's Teaching and Leadership Merit Award. Providing Utah State University's Center for the School of the Future (CSF) staff with the chance to review and respond to the report Merit Awards for Teachers: A Review of Best Practices to Inform Program Implementation (Report #2024-06) is greatly appreciated. The discussions held between our teams were invaluable to the CSF members, aiding them in refining the focus of their efforts on Utah's Teacher and Leadership Merit Award program, thus anchoring their work in the best practices outlined in the report.

Aligned with its statutory mission, USU's CSF endeavors to involve education stakeholders and policymakers in identifying and implementing research-based practices in Utah's K-12 schools, aiming to enhance students' academic learning. This project harmonizes seamlessly with our statutory mission, and USU is privileged to have earned the trust of the Utah Legislature in entrusting our Center for the School of the Future with providing the designated services in support of this crucial program.

I fully endorse all recommendations put forth in the report. Our CSF Director and Associate Director are committed to the complete implementation of all outlined actions detailed in our response to this report, including the utilization of the referenced supporting documents and adhering to the specified timelines. Acknowledging the formal launch of this project on July 1, 2024, I am grateful for your willingness to continue collaborating with us as we identify opportunities to further fortify this project towards realizing its legislative objectives.

Sincerely,

Elizabeth R. Cantwell
President

nh

Recommendation 1.1

Utah State University's Center for the School of the Future should develop policies and procedures that take into account variation of teacher evaluation systems across local education agencies when identifying the state's highest performing teachers. They should report their findings to the Education Interim Committee no later than October 2024.

RESPONSE: The Center for the School of the Future (CSF) concurs with Recommendation 1.1.

- **Description of How CSF Will Implement Recommendation 1.1**:
  SB 173 specifies three required elements of LEA teacher evaluation as follows: Student Growth or Achievement Measures, Professional Evaluations, and Parent Surveys.
  - **Student Growth or Achievement** – LEAs will be asked by CSF to use *Median Growth Percentiles (MGPs)* where the state has data currently available. In cases where no current statewide MGP data are available, CSF will recommend that LEAs locate standardized, or criterion referenced student growth assessments in those subject areas or grade levels where student learning growth is currently unmeasured statewide. These LEA selected assessments must also present acceptable psychometric evidence of reliability and validity. Because locating alternative measures and evaluating them takes time, CSF anticipates that expansion of this Merit-Award Program will likely progress incrementally at local LEAs since a number of students in subject areas and grade levels are currently unassessed statewide.
  - **Professional Evaluations** - CSF will provide participating LEAs with guidelines and procedures intended to reduce observer/rater variation. One recommendation could include placing observation ratings, regardless of the observed criteria within an LEA, on a comparable scale of measurement for scoring (e.g., 3-point Likert-Like responses: Highly Effective (3), Effective (2), or Not Effective (1) We will also consult with data analytic experts to determine if there are other statistical analyses we can use to remove as much variation as possible.
  - **Parent Surveys** – CSF will locate an existing reliable and valid Parent Survey for assessing teacher effectiveness. CSF will recommend use of this identified Parent Survey across all participating LEAs statewide since a limited number of LEAs in the state are currently collecting Parent Survey data on teacher effectiveness.
- **Supporting Documentation Resources:**
  - SB 173 specified requirements for the Merit-Award Program pilot.
  - Findings from the Legislative Review Report of Merit-Award Programs.

- o Findings from other successful state, federal, and private agencies/institutions engaged in similar merit award programs.
  - o Available resources from other state, federal or private agencies who have experience with modeling missing data sets for assessing teacher effectiveness.
  - o USBE Technical MGP Document
  - o Informed by recommendations from LEAs and other state-based stakeholders.
  - o State level classroom data linked to teachers and students obtained from USBE by anticipated data agreement.
- **Individual(s) Responsible for Implementing the Recommendation:**
  - o CSF at USU – Director, Dr. Parker Fawson (parker.fawson@usu.edu, (435) 797-0240), and Associate Director, Dr. David Forbush (david.forbush@usu.edu, (435) 890-0664).
- **Deadline for Responding to Recommendation**:
  - o Initial draft guidelines for this recommendation will be presented in October 2024 at the scheduled meeting of the Education Interim Committee.

Recommendation 1.2

Utah State University's Center for the School of the Future should evaluate methods for determining teacher effectiveness statewide when teacher evaluation data is only available for participating local education agencies. They should report their findings to the Education Interim Committee no later than October 2024.

RESPONSE: The Center for the School of the Future (CSF) concurs with Recommendation 1.2.

- **Description of how CSF will implement Recommendation 1.2.**
  - o CSF will work with project contracted data analytic experts to determine the statistical models capable of determining how absence of statewide data (missing data) from LEAs who do not participate in the Utah Merit-Award Program and participating teachers in subject areas where no student growth data are available (missing data) impact estimates of teacher effectiveness on a statewide basis. This is a typical statistical modeling question of how to handle missing data and its impact on determinations of teaching effectiveness.
- **Supporting Documentation Resources:**
  - o Findings from the Legislative Review Report of Merit-Award Programs.
  - o Research and statistical data modeling methods available from published studies on teacher effectiveness.

- o Available resources from other state, federal or private agencies who have experience with modeling missing data sets for assessing teacher effectiveness.
- o State level classroom data linked to teachers and students obtained from USBE by anticipated data agreement.
- **Individual(s) Responsible for Implementing the Recommendation:**
  - o CSF at USU – Director, Dr. Parker Fawson (parker.fawson@usu.edu, (435) 797-0240), and Associate Director, Dr. David Forbush (david.forbush@usu.edu, (435) 890-0664).
- **Deadline for Responding to Recommendation:**
  - o Initial draft policies and procedures for this recommendation will be presented in October 2024 at the scheduled meeting of the Education Interim Committee

Recommendation 1.3

Utah State University's Center for the School of the Future should evaluate methods for determining teacher effectiveness statewide when parent survey data is only available for participating local education agencies. They should report their findings to the Education Interim Committee no later than October 2024.

RESPONSE: The Center for the School of the Future (CSF) concurs with Recommendation 1.3.

- **Description of How CSF Will Implement Recommendation 1.3:**
  - o Parent Surveys – CSF will locate and adopt an existing reliable/valid parent survey for assessing teacher effectiveness. CSF will require the use of this adopted Parent Survey across all participating program LEAs a limited number of LEAs are currently using Parent Surveys at this time.
  - o CSF will work with project data analytic experts to determine the statistical models necessary to determine how absence of statewide Parent Survey data from LEAs who do not participate in this program and from subject areas where there are no student growth data impact estimates of teachers' effectiveness on a statewide basis. This is a typical statistical modeling question of how to handle missing data and its impact on determinations made relative to teaching effectiveness.
- **Supporting Documentation Resources:**
  - o Findings from the Legislative Review Report of Merit-Award Programs.
  - o Psychometric reports on nationally available Parent Surveys assessing teacher effectiveness.
  - o Research and statistical data modeling methods available from published studies on teacher effectiveness.

- o Available resources from other state, federal or private agencies who have experience with modeling missing data sets for assessing teacher effectiveness.
  - o Informed by recommendations from LEAs and other state-based stakeholders.
- **Individual(s) Responsible for Implementing the Recommendation:**
  - o CSF at USU – Director, Dr. Parker Fawson (parker.fawson@usu.edu, (435) 797-0240), and Associate Director, Dr. David Forbush (david.forbush@usu.edu, (435) 890-0664).
- **Deadline for Responding to Recommendation:**
  - o Initial draft guidelines and procedures for this recommendation will be presented in October 2024 at the scheduled meeting of the Education Interim Committee

Recommendation 1.4

Utah State University's Center for the School of the Future ensure that local education agencies account for objectivity concerns in the nomination of teachers by principals or their designees and report to the Education Interim Committee no later than October 2024 on these efforts.

RESPONSE: The Center for the School of the Future (CSF) concurs with Recommendation 1.4.

- **Description of How CSF Will Implement Recommendation 1.4:**
  - o CSF will recommend a two-level evaluation process will take place at the school and LEA level such that LEAs will review and approve the teacher evaluation process conducted by the schools. CSF will also recommend that LEAs train all observers to provide reliable ratings for observations using a standard scale of measure as per above, (e.g. Recommendation 1.1. Technical assistance may be provided by CSF on rater/observer reliability training to address observational drift over time). CSF may also provide recommendations about the number and spacing of observations to be completed by LEAs.
- **Supporting Documentation Resources:**
  - o Findings from the Legislative Review Report of Merit-Award Programs.
  - o Informed by recommendations from LEAs and other state-based stakeholders.
  - o Informed by research, other similar projects, and national research agencies on training observers/raters to provide reliable responses to observations.

- **Individual(s) Responsible for Implementing the Recommendation:**
  - CSF at USU – Director, Dr. Parker Fawson (parker.fawson@usu.edu, (435) 797-0240), and Associate Director, Dr. David Forbush (david.forbush@usu.edu, (435) 890-0664).
- **Deadline for Responding to Recommendation**:
  - Initial draft guidelines for this recommendation will be presented in October 2024 at the scheduled meeting of the Education Interim Committee

Recommendation 1.5

Utah State University's Center for the School of the Future should determine whether refinements to student growth percentile or an alternative measure of student growth are needed to better measure teacher performance for Utah's Merit Award Program. They should report this information to the Education Interim Committee no later than October 2024.

RESPONSE: The Center for the School of the Future (CSF) concurs with Recommendation 1.5.

- **Description of How CSF Will Implement Recommendation 1.5**:
  - **Student Growth or Achievement.** LEAs will be directed to use Median Growth Percentiles (MGPs) where statewide data is already available. We will determine whether refinements to student growth percentiles are needed based on our review of the MGP technical manual and simultaneously evaluate the value and feasibility of accounting for student characteristics in a modified MGP calculation.
  CSF will also recommend that LEAs locate standardized or criterion-referenced student growth assessments in those subject areas or grade levels where there are no current statewide growth data available.
- **Supporting Documentation Resources**:
  - SB 173 specified requirements for pilot
  - USBE Technical MGP document
  - Findings from the Legislative Review Report of Merit-Award Programs.
  - Informed by research, other similar projects, and national research agencies that are engaged in similar merit-award programs.
  - State level classroom data linked to teachers and students obtained from USBE by anticipated data agreement.
- **Individual(s) Responsible for Implementing the Recommendation:**
  - CSF at USU – Director, Dr. Parker Fawson (parker.fawson@usu.edu, (435) 797-0240), and Associate Director, Dr. David Forbush (david.forbush@usu.edu, (435) 890-0664).

- **Deadline for Responding to Recommendation**:
  - Initial draft guidelines for this recommendation will be presented in October 2024 at the scheduled meeting of the Education Interim Committee

Recommendation 1.6

We recommend that Utah State University's Center for the School of the Future develop policies and procedures to ensure that any alternative measures used for student growth or achievement are validated. They should report to the Education Interim Committee on these efforts no later than October 2024.

RESPONSE: The Center for the School of the Future (CSF) concurs with Recommendation 1.6.

- **Description of How CSF Will Implement Recommendation 1.6**:
  - CSF will recommend that LEAs locate standardized or criterion-referenced student growth assessments on those subject areas or grade levels where there is no current statewide growth data available. CSF may provide technical assistance to LEAs for locating and evaluating appropriate psychometric data and specifications for use with selected alternative assessments where there is no current statewide growth data available. LEAs will provide CSF appropriate psychometric data and specifications for use of selected alternative assessments.
- **Supporting Documentation Resources**:
  - Findings from the Legislative Review Report of Merit-Award Programs.
  - Informed by recommendations from LEAs and other state-based stakeholders.
  - Informed by research, other similar projects, and national research agencies that are engaged in similar merit award programs.
  - State level classroom data linked to teachers and students obtained from USBE by anticipated data agreement.
- **Individual(s) Responsible for Implementing the Recommendation:**
  - CSF at USU – Director, Dr. Parker Fawson (parker.fawson@usu.edu, (435) 797-0240), and Associate Director, Dr. David Forbush (david.forbush@usu.edu, (435) 890-0664).
- **Deadline for Responding to Recommendation**:
  - Initial draft guidelines for this recommendation will be presented in October 2024 at the scheduled meeting of the Education Interim Committee.

Recommendation 1.7

After June 30, 2025, the Legislative Audit Subcommittee should consider having the Office of the Legislative Auditor General evaluate program adoption rates, including the potential impact of funding structure on participation.

RESPONSE: The Center for the School of the Future (CSF) concurs with Recommendation 1.7.

Recommendation 1.8

The Legislative Audit Subcommittee should consider having the Office of Legislative Auditor General conduct an audit of the Merit-Award Program's effectiveness and implementation at the conclusion of the pilot program.

RESPONSE: The Center for the School of the Future (CSF) concurs with Recommendation 1.8.

THE MISSION OF THE LEGISLATIVE AUDITOR GENERAL IS TO

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