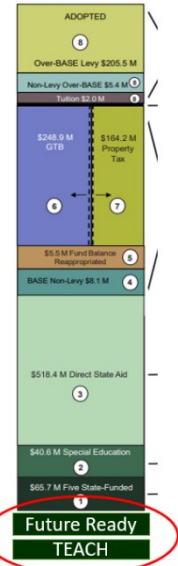


STARS Act – Student and Teacher Advancement for Results and Success

Concept paper prepared by Pad McCracken, LSD Research Analyst, for the September 18, 2024, E-IBC meeting at the direction of Reps. Jones and Bedey

Main concepts:

1. Revise and enhance TEACH Act; make incentive into new 100% state-funded component
2. Encourage schools to get students Future Ready; create new 100% state-funded component
3. Modify formula for higher housing costs (increase MAX budget limits in certain districts)
4. Fully fund Advanced Opportunities
5. Increase Major Maintenance Aid to fully utilize designated state revenue
6. Ensure the state gets credit for the funding it provides outside of the main funding formula (for things like major maintenance aid, advanced opportunities, transportation, etc.).



#1 & #2 Incentives within the formula (teacher starting salary and student success)

Quality Educator Payment (QEP) is currently about \$3,700 and is 100% state funded

Current QE FTE about 13,000 statewide (QE includes licensed professionals, admin, librarians, counselors, others) with total QEP cost of about \$48M

High school per-ANB entitlement is about \$8,000; EL per-ANB is about \$6,000; about 10,000 graduates/year

100% state-funded components = \$0 local property tax impact

Incentives	Weight/Bonus	Max increase state outlay (approx.)
<p>TEACH Payment (incentive operational in FY 26)</p> <p>Basically, an enhancement of the TEACH Act. Minimum salary of 11X QEP (\$40,700) plus compression req for larger districts; bonus QEP on ALL QE; once eligible, the district remains eligible unless they fall below threshold for two consecutive years; salary compression requirement phased in; add clerks and emergency authorized teachers into QEP</p>	<p>New state-funded component</p> <p>2X QE</p>	<p>\$50 M (\$??? M in FY 26)</p>
<p>For two separate districts (not EL and HS of unified school system): Share QE or clerk (min share of .35 FTE)</p>	<p>Full QEP for shared position</p>	<p>Nominal</p>
<p>Future Ready Payment (incentive operational in FY 27)</p> <p>Goal level 1: # of graduates with ≥ 15 postsecondary credits or industry-recognized credential (semester equivalent)</p> <p>Goal level 2: # of graduates with ≥ 30 postsecondary credits or industry-recognized credential (year equivalent)</p> <p><i>These goals and incentives recognize that a graduate's future readiness is based on efforts K through 12, so both the HS a student graduates from AND the K-8 district a student completes 8th grade in are rewarded.</i></p>	<p>New state-funded component</p> <p>For HS: 10% of the HS ANB, \$800 per</p> <p>For EL: 10% of the EL ANB, \$600 per</p> <p>For HS: 20% of the HS ANB, \$1600 per</p> <p>For EL: 20% of the EL ANB, \$1200 per</p>	<p>\$28 M (if EVERY graduate hits Goal level 2) \$8 M (max)</p> <p>\$6 M (max)</p> <p>\$16M (max)</p> <p>\$12M (max)</p>

#3 High housing costs

For school districts (or districts within counties—TBD) with median housing costs above 105% of statewide median and that meet teacher pay benchmarks for the TEACH payment, increase MAX budget limit.

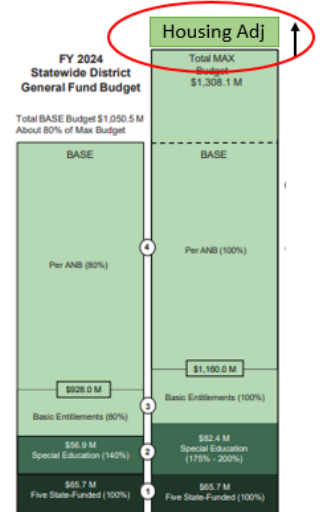
Something like:

% of statewide median housing	Increase in MAX budget limit
105% to 110%	MAX at 102%
110% to 120%	MAX at 104%
> 120%	MAX at 106%

No state cost; district will need to produce additional overBASE revenue with voted levies or nonlevy revenue.

Require that additional budget authority is used only for the following:

1. Housing stipends for teachers (or employees)
2. District-provided housing



#4 Fully fund Advanced Opportunities

The program is currently funded at \$4 M/year and there is a waitlist. Increasing the appropriation to approximately \$6 M/year will allow all districts to participate. Advanced Opportunities will support districts in meeting the goals for the Future Ready Payment and eliminate/minimize out-of-pocket costs for students and families pursuing dual enrollment, industry credentials, etc. Consider revising program application and reporting requirements.

#5 Increase Major Maintenance Aid to utilize designated revenue

Major maintenance aid provides school district with funding for projects like new roofs and boilers. The dedicated revenue sources for school facility funding have been enhanced; the formula that distributes major maintenance aid can be adjusted to fully utilize this revenue.

#6 Credit for all state funding

Add a statutory definition of “state share” that lists components of state funding, both inside and outside the main school funding formula. Require reporting of this state share as percentage of total district expenditures, ideally via a longitudinal school funding dashboard that includes measures of equity, etc.

Other

Incentivize personnel sharing between districts.