Session Law 2021-7, House Bill 82, Section 1.3. (2020-21 School Year)

Overview: This document addresses employment, signing and performance bonuses in <u>SL 2021-7/HB82</u>, Section 1.3.

Does this legislation apply to Charter schools, Lab and Regional Schools?

No. The requirements in this legislation only apply to LEAs and residential schools. The legislation states that charter schools are encouraged to submit a School Extension Learning Recovery and Enrichment Programs (SELREP) plan.

I. SOURCE and USE OF FUNDS

What funds are permitted to fund this program?

There was no additional appropriation for this SELREP. PSUs may use available funds where permitted, including but not limited to:

- State Funds PRC069 At Risk
- Federal Covid funds through CARES Act, CRRSA and ARP Acts where permitted. Includes PRC163, 164, 171, 172 and 181.
- Local funds

Related to PRC016, are there restrictions related to the use of these funds for the SELREP?

Section 1.4 states that LEAs may use funds allocated in PRC016 to support <u>reading instruction in 1st, 2nd</u> and 3rd grade students in SELREP. It explicitly states that the funds may **not** be used for enrichment activities.

II. EMPLOYMENT

Any teacher and other school personnel participating in the SELREP shall be employed as <u>temporary</u> <u>employees on a contract basis</u> for the period of the program.

Is the compensation the employee earns for SELREP subject to TSERS?

No, the compensation is not subject to TSERS and neither the 6% employee nor the employer deductions are taken.

Are PRC016 Reading Camp employees still subject to retirement since it is a different law from the HB82 program?

RtA Reading Camps are separate from the SELREP, and there is not a requirement that the employment in RtA reading camps be considered contracted temporary.

How should we code the employees we employ for SELREP?

All contracted temporary employment should be coded to a new purpose code 5360 with an appropriate object code. These salaries will not be audited for pay level, however see next question re: license requirement.

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If you have an employee who has a regular contract that covers the period of SELREP, you code that individual to their regular purpose-object. Eg, an 11 month asst principal, principals. The compensation for these individuals will be subject to TSERS per their employment agreement.

Are the teachers required to hold an educator license to teach in SELREP?

Yes, the term "teacher" in legislation requires an educator license, with the exception of those working in schools or programs where exemptions are provided eg, restart schools, charter schools, lab schools.

Are we required to pay teachers and other employees on the State salary schedule?

No, employees whose regular employment term does not cover the period of SELREP are paid as contracted employees and are not required to be paid from the Legislated Salary Schedules or within the State non certified ranges for the period of the SELREP.

With the SELREP employees are they paid thru the payroll system or as a 1099?

The legislation states that you are to "employ" the personnel, therefore they should be paid through the payroll system. Your LEA should confirm with your board attorney to be sure that you are in compliance with IRS rules.

III. BONUSES

When are the bonuses required to be paid?

Both the signing bonus and the performance bonus are required to be paid by October 1, 2021

Are you required to provide the bonus before the teacher works in one lump sum?

No, the legislation does not prohibit the LEA from paying the bonus in installments, or at a time other than at the beginning of the start. The bonus must be paid prior to Oct 1.

How should the bonus be coded?

The bonus payments are coded to object 180 – bonus not subject to TSERS.

Is the bonus subject to retirement withholding and matching?

No, the bonus is not considered compensation for retirement purposes and is NOT subject to retirement.

Is the bonus subject to social security Yes, the bonus is subject to social security (social security should be coded with Object Code 211).

Is the bonus subject to taxes?

Yes, the bonus is considered income and is subject to applicable taxes.

Are we permitted to provide bonuses to teachers and other employees that do not meet this criteria?

LEAs are permitted to provide bonuses from local and federal funds, where it is a permitted use of the funds.

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If we have a State funded employee who we want to use ESSER funds to provide a bonus, is that permissible?

ESSER funds may be used to support other bonus plans linked to COVID. DPI Federal Programs Division is advising LEAs to communicate with their regional program administrators prior to carrying out a bonus plan to ensure the plans are linked to COVID and allowable.

A. "SIGNING BONUS"

Who is eligible for the signing bonus?

A teacher working in SELREP who meets one of the following

- (i) had received a past teaching bonus for <u>reading in grades 3,4,5</u>
- (ii) had received a past teaching bonus for <u>mathematics in grades 4,5,6,7,8</u>
- (iii) has received National Board for Professional Teaching Standards Certification.

Does teacher include instructional support personnel?

If they meet the above criteria above they are included.

Is the requirement related to "past teaching bonus" related to a particular year?

A teacher is eligible to receive the sign-on bonus if they were awarded and received a State funded performance bonus from the EVAAS data from the 2015-16 school year to the most recent year data is available before the start of the SELREP. These bonuses were paid out of PRC 046 and 048, but do not include the principal, AP or CTE bonus.

If a teacher was awarded the teaching bonus, but was not paid the teaching bonus because they did not meet eligibility requirement set in legislation, do they meet the criteria for the signing bonus under H82?

No, the legislation states that the teacher is required to have "received" the teaching bonus, and therefore, must have been "paid" the bonus.

If the LEA has a new teacher who previously worked in another PSU, how will we be able to verify whether they received a bonus or not in the past?

The Division of School Business is working to build a table of the bonus payments by individual for all years and put this out in LicSal so that you will be able to verify.

In the meantime, we recommend that you contact the previous employing PSU.

If the teacher has an expired NBPTS certification are they eligible?

Yes, if the teacher has received certification in the past but the certification has expired they are eligible

We have teachers who are working a portion of the SELREP, but meet the requirements above, are we permitted to prorate the signing bonus?

Session Law 20201-7 (House Bill 82) Section 1.3(a)(3) provides as follows: "Local boards of education are encouraged to find ways to incentivize highly effective teachers to participate in the program, such as increased compensation and varied contract durations." Therefore, districts are free to vary the term of a contract and negotiate compensation however they see fit. However, there are two nonnegotiable items in the statute when it comes to paying summer teachers.

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The first is in the same subsection cited above and provides as follows: "(L)ocal boards *shall* offer a signing bonus of at least one thousand two hundred dollars (\$1.200) to <u>any</u> teacher who (i) had received a past teaching bonus for ready in grades three, four, and five or mathematics in grades four, five, six, seven or eight or (ii) has received National Board for Professional Teaching Standards Certification."

The second nonnegotiable item in the statute provides in Subsection 1.3(a)(4): "Local boards of education *shall* provide a performance bonus to a teacher who provided instruction during the program, in a per student amount of at least one hundred fifty dollars ((\$150.00), for each student not demonstrating reading proficiency on the third-grade end-of-grade reading assessment assigned to that teacher who became proficient in reading after completing the program, as demonstrated by an alternate assessment."

Therefore, LEAs may not prorate these bonuses

There have been some questions related to the following clause contained in the sample contract that was <u>provided</u> to LEAs:

Contractor shall also be eligible for any applicable bonuses described in S.L. 2021-7 or approved by the Board related to the Contractor's service under this Contract. Any contractor who is eligible for a signing bonus as described in S.L. 2021-7 but does not complete the contract Term as set forth above agrees only to be entitled to a proportional share of the bonus based on the percentage of the Term that the Contractor ultimately completes. Compensation under this contract is subject to funding appropriations for this position.

This language states that IF THE INDIVIDUAL DID NOT COMPLETE THE CONTRACT TERM, a portion of the bonus may be withheld. It does not state that the LEA may prorate the bonus based on the term.

For example, if the contract term in only 3 weeks the individual is due the \$1200. But if the individual's contract term is 6 weeks and the individual only fulfill 3 weeks of that contract, you may reduce the bonus to \$600.

As stated by Dr. Tomberlin in the communication, LEAs are not required to use the sample contract.

B. 3rd GRADE PERFORMANCE BONUS

LEAs shall provide a performance bonus to a teacher who provided instruction during the program, in a per student amount of at least \$150.00, for each student not demonstrating reading proficiency on the third-grade end-of-grade reading assessment assigned to that teacher who became proficient in reading after completing the program, as demonstrated by an alternate assessment