

# Legislative Analysis

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## MODIFY TEACHER AND ADMINISTRATOR COMPENSATION CRITERIA

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**House Bill 4625 (Substitute H-1)**

**Sponsor: Rep. Pete Lund**

**Committee: Education**

**Complete to 5-22-13**

### A SUMMARY OF HOUSE BILL 4625 (H-1) AS REPORTED FROM COMMITTEE

House Bill 4625 (H-1) would amend the Revised School Code (MCL 380.1250) to modify the criteria school districts, intermediate school districts, and charter schools must use to set compensation for teachers and administrators.

The bill would require that job performance and job accomplishments be the primary factor (rather than a significant factor) used to determine compensation, and that the evaluation of job performance be based primarily upon student growth data.

The bill would apply to teachers and administrators hired after the bill's effective date, however those hired earlier could opt in to the program. The change in compensation policy would occur after implementation of the statewide performance evaluation system. A more detailed description of the bill follows.

Currently, school officials must use a method of compensation for teachers and school administrators that includes job performance and job accomplishments as a significant factor in determining compensation. The assessment of job performance must incorporate a rigorous, transparent, and fair evaluation system that evaluates a teacher's or administrator's performance at least in part based upon data of student growth, as measured by assessments and other objective criteria.

House Bill 4625 (H-1) would modify this provision to specify that, for teachers and administrators hired after implementation of the statewide performance evaluation system [described in subsections 1249 (5) and (6) of the Revised School Code], including the student growth and assessment tool [described in subsection 1249(5)(a) for applicable subject areas], school districts and charter schools would have to implement a method of compensation that included job performance and job accomplishments as the primary factor in determining compensation.

Further, under the bill, the assessment of job performance would have to incorporate a rigorous, transparent, and fair evaluation system that evaluated a teacher's or school administrator's performance primarily based upon data on student growth as measured by assessments and other objective criteria.

House Bill 4625 (H-1) also specifies that a teacher or school administrator who would otherwise not be subject to this method of compensation due to the date of hire could choose to be subject to it, by submitting a written notice to the employing school district, charter school, or intermediate school district.

The bill further specifies that school officials would be prohibited from using "length of service" or "achievement of advanced degrees" as a factor in compensation levels or adjustments in compensation for teachers and administrators hired after the bill's effective date (that is, after implementation of the statewide performance evaluation system), except as follows:

- for teachers with secondary certificates having a subject area endorsement and teaching in that subject area, an advanced degree in that subject area could be considered as a factor in the teacher's base compensation; and
- for teachers with elementary certificates who teach in an elementary grade, an advanced degree in elementary education could be considered as a factor in the teacher's base compensation.

Finally, House Bill 4625 (H-1) specifies that if a collective bargaining agreement is in effect preventing compliance with these modifications, then the modifications described above would not apply until after the expiration of that collectively bargained agreement.

#### **FISCAL IMPACT:**

The bill would have no fiscal impact on the state, but may have a fiscal impact on local school districts, intermediate districts and charter schools. To the extent that the bill revises compensation determination factors, it could change overall compensation levels for teachers and administrators. However, the fiscal impact is indeterminate because there is no information to determine whether or to what extent the bill would have a net increase or decrease on costs.

#### **POSITIONS:**

Students First supports the bill. (5-8-13)

The Great Lakes Education Project supports the bill, as introduced. (5-22-13)

The Detroit Regional Chamber of Commerce supports the bill. (5-22-13)

Ferris State University is neutral on the bill. (5-8-13)

The Michigan Association of School Boards has no position on the bill. (5-8-13)

The State Board of Education opposes the bill as written. (5-21-13)

Garden City Public Schools opposes the bill. (5-22-13)

The Wayne County RESA opposes the bill. (5-22-13)

The Eaton Intermediate School District opposes the bill. (5-22-13)

The Tri-County Alliance opposes the bill. (5-22-13)

Oakland Schools opposes the bill. (5-22-13)

The Michigan Elementary and Middle School Principals Association opposes the bill. (5-22-13)

The Michigan Association of Secondary School Principals opposes the bill. (5-22-13)

The Michigan Association of School Administrators opposes the bill. (5-22-13)

The Michigan Association of Intermediate School Administrators opposes the bill. (5-22-13)

The Dean of the College of Education at Michigan State University opposes the bill. (5-22-13)

The Michigan AFL-CIO opposes the bill. (5-8-13)

The American Federation of Teachers-Michigan opposes the bill because it does not consider the value of experience and education of those teaching students. (5-8-13)

The Michigan Education Association opposes the bill. (5-8-13)

Michigan Parents for Schools opposes the bill. (5-8-13)

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■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.