

284.14 Pay-for-performance program.

1. *Intent.* The intent of this section is to create a process by which select Iowa school districts research, develop, and implement projects designed to identify promising practices related to enhanced teacher compensation career ladders and performance pay models.

2. *Commission.* A pay-for-performance commission is established to design and implement a pay-for-performance pilot project and provide a study relating to teacher and staff compensation containing a pay-for-performance component. The study shall measure the cost and effectiveness in raising student achievement of a compensation system that provides financial incentives based on student performance. The commission is part of the executive branch of government.

3. *Development of program.* Beginning July 1, 2006, the commission shall gather sufficient information to identify a pay-for-performance program based upon student achievement gains and global content standards where student achievement gains cannot be easily measured. The commission shall review pay-for-performance programs in both the public and private sectors.

a. Commencing with the school year beginning July 1, 2007, the commission shall initiate planning pilots, in selected kindergarten through grade twelve schools, to test the effectiveness of the pay-for-performance program. The purpose of the planning pilots is to identify the strengths and weaknesses of various pay-for-performance program designs, evaluate cost effectiveness, analyze student achievement needs, select formative and summative student achievement measures that align to identify needs, consider necessary supports related to the student achievement goals in the school district's comprehensive school improvement plan, review assessment needs, identify mechanisms to account for existing teacher contract provisions within the proposed career ladder salary increments, allow thorough review of data, and make necessary adjustments before proposing implementation of the pay-for-performance program statewide.

b. Commencing with the school year beginning July 1, 2007, the commission shall select two school districts as planning pilots. Participants shall provide reports or other information as required by the commission.

c. Commencing with the school year beginning July 1, 2008, the commission shall administer two implementation pilots in the school districts selected for planning pilots under paragraph "b".

4. *Reports and final study.* Based on the information generated by the planning and implementation pilots, the commission shall prepare an interim report by January 14, 2008, followed by interim progress reports annually, followed by a final study report analyzing the effectiveness of pay-for-performance in raising student achievement levels. The final study report shall be completed no later than six months after the completion of the planning and implementation pilots. The commission shall provide copies of the final study report to the department of education and to the general assembly.

5. *Iowa excellence fund.* An Iowa excellence fund is created within the office of the treasurer of state, to be administered by the commission. Notwithstanding section 8.33, moneys in the fund that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain in the fund.

The commission may provide grants from this fund, according to criteria developed by the commission, for implementation of the pay-for-performance program.

2006 Acts, ch 1182, §27; 2007 Acts, ch 108, §4648