



**Glenda Ritz, NBCT**

Indiana Superintendent of Public Instruction

## MEMORANDUM

TO: Superintendents, Principals, and Teachers

FROM: Department of Education

DATE: December 14, 2016

RE: Teacher Performance Grants

### OVERVIEW

Pursuant to Indiana Code § 20-43-10-3 (version c), eligible local education agencies ("LEAs") and the qualified teachers therein shall receive a "Teacher Performance Grant" ("grant") that shall be paid to eligible teachers as bonuses and/or up to 50% as a permanent part of and increase to the base salary of the teacher receiving the bonus. In 2015, the General Assembly appropriated \$40 million for this purpose.

An LEA shall only be eligible for the grant if the local governing body of the LEA has adopted a staff performance evaluation plan aligned with the requirements outlined in Indiana Code § 20-28-11.5. No application is necessary to receive the grant funds.

Furthermore, the LEA shall exclusively utilize the award to pay teachers rated "effective" or "highly effective" under the qualifying evaluation plan and shall differentiate the bonus amounts between the two designations by at least \$1.

LEAs will be able to access their grant amounts in the following locations:

1. On the Learning Connection Community called "IDOE – Teacher Performance Grants"
2. On the Learning Connection Community called "IDOE – Developing New Indiana Evaluations"
3. On the Department of Education website at <http://www.doe.in.gov/evaluations/performance-based-awards>
4. In the DOE Dialogue

Additionally, the following information is attached to this memo and will be posted at the locations mentioned above:

1. A spreadsheet with the total grant amounts generated by each school building
2. A spreadsheet with the aggregated total grant for each LEA
3. A document that highlights some key components of the grant and differences from FY15-16 to FY16-17
4. A document that explains the grant formula described in IC § 20-43-10-3

### TIMELINE FOR DISBURSEMENT TO LEAS

On December 5, 2016, the Department—in consultation with legislative leaders—decided to temporarily delay distribution of the grant. Because of this delay, IC § 20-43-10-3(version c)(o) requires the State Budget Committee to review the grant amounts before final disbursement. The Department has submitted the amounts for final disbursement to the State Auditor. LEAs should receive the grant by the end of the week.



**Glenda Ritz, NBCT**

Indiana Superintendent of Public Instruction

### **TIMELINE FOR DISBURSEMENT TO TEACHERS**

Indiana Code § 20-43-10-3(version c)(g) requires all recipients of the grant to pay teachers not later than 20 business days after receipt of funds. Although the statute does not address the consequences for failing to meet the 20 business day requirement to pay teachers, the State Board of Accounts may issue an audit finding if the requirement is not met. **Any part of the grant not distributed as bonuses to eligible teachers before February 1, 2017 must be returned to the Department.**

### **SEPARATE LEGAL ENTITIES**

Under Indiana Code § 36-1-7 et. seq. school corporations may enter into an agreement to create a separate legal entity and delegate to it certain powers and duties such as the authority to provide inter-district special education service. Because an interlocal cooperation is considered a separate legal entity and an LEA for some funding purposes, the Department will distribute the Teacher Performance Grant amount directly to each interlocal cooperation that is created under § IC 36-1-7.

The grant must be used to pay cash stipends to all teachers who are rated as effective or as highly effective and employed by the interlocal cooperation. The governing body of an interlocal cooperation must distribute the funds in accordance with the procedures outlined in Indiana Code 20-43-10(f) (2).

### **JOINT SERVICES AND COOPERATIVE PROGRAMS**

Under Indiana Code § 20-26-10 and IC 20-37 et seq., school corporations may enter into agreements to provide joint or cooperative services such as special education and career and technical education. These cooperative and joint services are managed by one lead corporation with the other school corporations, referred to as participating corporations. The agreement between the lead and the participating corporations includes provisions for the transfer of state funds from the participating to the lead corporation for the service provided.

Because teachers working within the cooperative or joint service program are employed by the lead corporation, the lead corporation will be required to include those effective and highly effective teachers in the distribution of the Teacher Performance Grant funds.

Unfortunately, there is no way for the Department to determine in which corporation and which building an individual teacher teaches. Many cooperative and joint services teachers work in multiple districts and multiple buildings throughout the school year.

It is advised that the school corporation that administers and supervises the joint or cooperative programs collaborate with each participating school in order to determine how funds will be paid fairly to those effective and highly effective teachers employed by the lead corporation and providing services to participating school corporations' students. Joint service and cooperative agreements may need to be amended in order to fairly distribute the Teacher Performance Grant award received by each lead and participating school corporation to the qualifying teachers employed by the lead corporation. The Teacher Performance Grant statute does not provide guidance on how the grant funds should be apportioned between the lead and participating schools. The governing body for each cooperative or joint service program will need to determine these procedures prior to the distribution of the award.



### ELIGIBLE RECIPIENTS OF A BONUS

For purposes of this grant, IC § 20-18-2-22(c) defines a teacher as a professional person whose position requires a license and whose primary purpose is the instruction of students. The determination and definition of a teacher is best made by the LEA. Additionally, teachers may only receive a bonus if they were employed by the LEA on **December 1, 2016**. Retired teachers are ineligible to receive a bonus paid from this grant.

### QUESTIONS

For questions, please refer to documents provided on the Department's website at <http://www.doe.in.gov/evaluations/performance-based-awards>. For additional questions, please contact [tpg@doe.in.gov](mailto:tpg@doe.in.gov).