

**157.075 Differentiated compensation plans -- Professional compensation fund --  
Department of Education recommendations on teacher compensation.**

- (1) For purposes of this section, "compensation" means the combination of base salary, salary supplements, and other benefits provided a teacher.
- (2) (a) A school district may develop differentiated compensation programs that provide additional compensation above the single salary schedule described in KRS 157.420 and defined in KRS 157.320. Differentiated compensation plans shall have one (1) or more of the following purposes:
  1. To recruit and retain teachers in critical shortage areas;
  2. To help reduce the number of emergency certified teachers employed in the district;
  3. To provide incentives to recruit and retain highly skilled teachers to serve in difficult assignments and hard-to-fill positions;
  4. To provide career advancement opportunities for classroom teachers who voluntarily wish to participate; or
  5. To reward teachers for increasing their skills, knowledge, and instructional leadership within the district or school.
- (b) The Kentucky Board of Education shall promulgate administrative regulations defining the factors that may be included in a differentiated compensation plan and procedures that shall be used in the development and approval of differentiated compensation plans.
- (3) (a) There is hereby established a professional compensation fund in the State Treasury. Beginning in the 2002-2004 biennium and thereafter, the fund shall be used to provide grants to school districts to pilot differentiated compensation programs for teachers. During the 2002-2004 biennium, the fund shall provide grants to at least five (5) school districts for a two (2) year period. The number of grants may increase or decrease based on the funds available and as deemed feasible by the Kentucky Department of Education.
- (b) The district grants shall be used for one (1) or more of the purposes described in subsection (2)(a) of this section.
- (c) The professional compensation fund may receive state appropriations, gifts, and grants from public and private sources, and federal funds. Any unallotted or unencumbered balances in the fund shall be invested as provided in KRS 42.500(9). Income earned from the investments shall be credited to the fund. Any fund balance at the close of a fiscal year shall not lapse but shall be carried forward to the next fiscal year and continuously appropriated for the purposes specified in this section.
- (d) The fund shall be administered by the Kentucky Department of Education and shall be distributed on the basis of criteria promulgated in an administrative regulation by the Kentucky Board of Education. The administrative regulation shall specify the maximum size of grants, the application and selection process, the obligations of the local board of education, the evaluation and data requirements, and other details as deemed necessary by the board.

- (4) Upon request, the Kentucky Department of Education shall provide assistance to any district that wishes to develop a differentiated compensation program.
- (5) During the 2002-2004 biennium, the Kentucky Department of Education shall gather information and summarize the characteristics and impact of the various differentiated compensation programs. By October 1, 2004, the department shall provide recommendations to the Interim Joint Committee on Education as to the feasibility of establishing a statewide teacher advancement program or other ideas for modifying teacher compensation.

**Effective:** April 2, 2002

**History:** Created 2002 Ky. Acts ch. 135, sec. 2, effective April 2, 2002.