



HB 252 (STARS Act) Teacher Incentive Guidance

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Section 1 Introduction

What is the Teacher Incentive?

Background – The Law Before the STARS Act

During the 2021 Legislative Session, HB 143 An Act incentivizing increases in base pay for teachers, established the TEACH Act (20-9-324, MCA). The TEACH Act provided additional quality educator component payments to school districts employing teachers that were within their first three years of their licensed teaching career if they met the qualifications of having a base pay that was equivalent to at least 10 times the quality educator payment. An additional requirement for class 1 districts was that they had to have a base teacher pay that was not less than 70% of the teacher average pay.

The STARS Act – Legislative Goal for Teacher BASE Pay

Most recently during the 2025 Legislative Session, HB 252 titled the STARS Act amended 20-9-324, MCA, significantly in ways outlined below.

An educational entity that meets the legislative goal for teacher base pay is eligible for a double quality educator and qualified staff payment for each quality educator and qualified staff employed by the district.

The legislative goal for teacher base pay is as follows:

- **Base Pay:** Teacher base pay in an educational entity must be at least 11 times the quality educator and qualified staff payment amount provided in 20-9-306, MCA.
- **Teacher Average Pay:** For fiscal year 2026 and beyond, teacher base pay must meet the following percentages of the teacher average pay in the prior fiscal year:

62% in fiscal year 2026

64% in fiscal year 2027

66% in fiscal year 2028

68% in fiscal year 2029

70% in fiscal year 2030 and succeeding fiscal years.

The requirement for a teacher to be in their first 3 years of their licensed teaching career has been removed and is now modified to include all full-time equivalent staff defined by law as either a quality educator or a quality staff member.

If an educational entity qualifies for enhanced quality educator and qualified staff payments under 20-9-324, MCA, in a fiscal year, the entity retains that qualification in subsequent years unless the district fails to qualify for 2 consecutive years. After 2 consecutive years of failure to qualify, an educational entity must reestablish eligibility before the enhanced quality educator and qualified staff payments under 20-9-324, MCA, resume for the educational entity.

The additional quality educator and qualified staff payment for an educational entity that meets the legislative goal for competitive base pay of teachers will include two times the number of full-time equivalent quality educators and qualified staff as provided in 20-9-327, MCA.

The teacher incentive is available to all K-12 public schools, Special Education Cooperatives, Montana School for Deaf and Blind, Department of Corrections Education Activity and Montana Youth Challenge.

Definitions

Educational Entity

Public School Districts: public school districts as defined in 20-6-101, MCA, and 20-6-701, MCA.

Special Education Cooperatives: As described in 20-7-451, MCA.

Montana School for the Deaf and Blind: As described in 20-8-101, MCA.

Correctional Facilities: As defined in 41-5-103, MCA.

Montana Youth Challenge Program: A program included in the definition.

Full-Time Equivalent Teacher

A teacher who is contracted for employment for the entire academic year, fulfilling professional responsibilities throughout all periods of the day when the educational entity offers instruction. This includes time spent preparing for classes, delivering instruction, mentoring others and performing other duties set forth in the teacher's job description, individual contract or in the collective bargaining agreement governing the teacher's employment, 20-9-324, MCA.

Teacher

An individual who holds a current class 1, 2, 4, 5, 6, or 7 license issued by the Office of Public Instruction under rules adopted by the Board of Public Education and is employed by an educational entity in an instructional position requiring a teaching license, 20-9-324, MCA.

Please note that this definition includes what are commonly referred to as both teachers and specialists. Class 1 and 2 are elementary and high school teachers, class 4 is vocational, class 5 is provisional, class 6 is for school psychologists and school counselors and class 7 is American Indian Language and Culture Specialist. See ARM section 10.57.410 through 10.57.436.

Teacher Base Pay

Teacher base pay means the lowest salary for a full-time equivalent beginning teacher for the current year as incorporated in the educational entity's collective bargaining agreement if the teachers' employment is covered by a collective bargaining agreement pursuant to Title 39, Chapter 31, or incorporated in the entity's policy if the teacher's employment is not covered by a collective bargaining agreement, not including bonuses, stipends, or extended duty contracts, 20-9-324, MCA.

Teacher Average Pay

Teacher average pay means the total compensation paid by an educational entity to all teachers, not including bonuses, stipends, or extended duty contracts, divided by the total full-time equivalent teachers employed by the entity, 20-9-324, MCA.

Section 2 Application Process

What data will be required for the application?

- **Base Teacher Pay:** The current year's teacher base pay.
- Do not include Emergency Authorized teacher salaries in any calculations and there is no minimum pay required for emergency authorized staff because they do not meet the definition of teacher in 20-9-324, MCA.
- **Average Teacher Pay:** The average teacher pay should be computed using the prior year's teacher pay amounts. Teacher pay used for the calculation should not include bonuses, stipends, or extended duty contracts.
 - Do not include Emergency Authorized teacher salaries
 - Do not include superintendents and principals UNLESS a portion of their contract is specifically outlined for regular teaching duties. Further clarification:
 - If the teaching assignment is paid through a stipend or extra duty contract, the salary is not included.
 - If the teaching assignment is specified without a specific salary amount, the administrator's full-time salary should be prorated and incorporated based on the fractional FTE teaching assignment.

If the teaching assignment is specified with a specific salary amount, that specific salary amount should be incorporated based on the fractional FTE teaching assignment.

The calculation will be as follows:

Prior year total teacher pay (as defined in the act) divided by the prior year total full-time equivalent teachers employed by the entity = average teacher pay

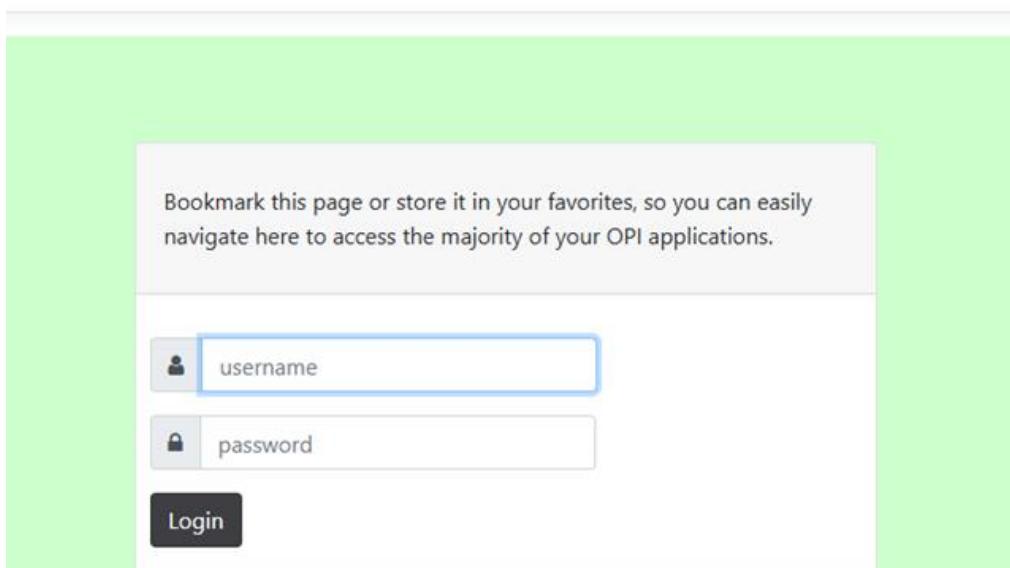
Special education cooperatives will use pay for their teachers only, fitting the definitions defined above for their average teacher pay calculation.

Where is the application and how do I apply?

The application process has been moved to the MAEFAIRS System. Once logged in you will enter the required data described above and submit. Please follow the 6 steps below. These steps will be completed by the district clerk/business manager or your authorized representative:

Step 1: Log into MAEFAIRS to the secure portal at <https://apps.opi.mt.gov/osp/>

TEST OPI Secure Portal



Bookmark this page or store it in your favorites, so you can easily navigate here to access the majority of your OPI applications.

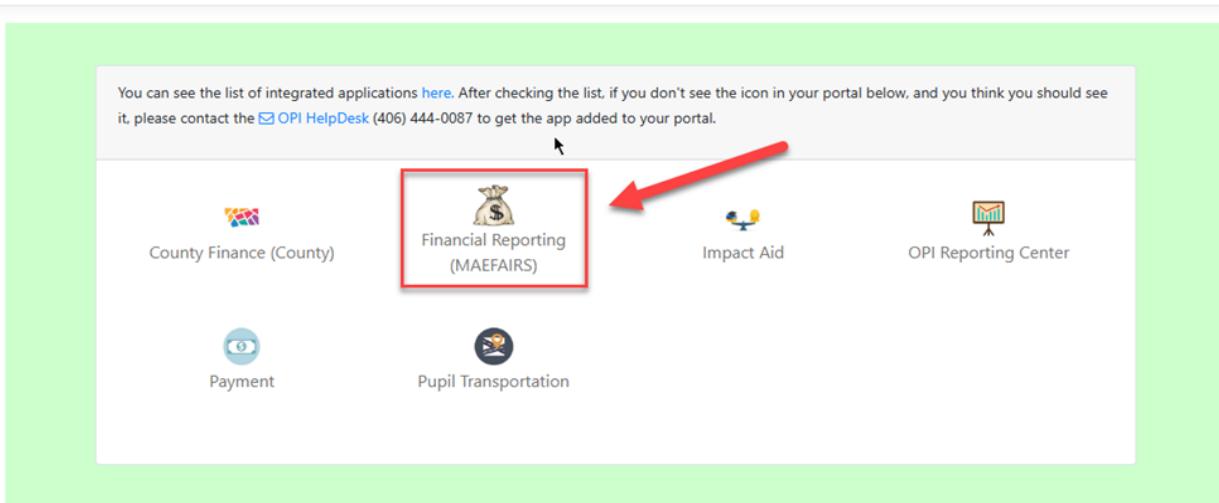
username

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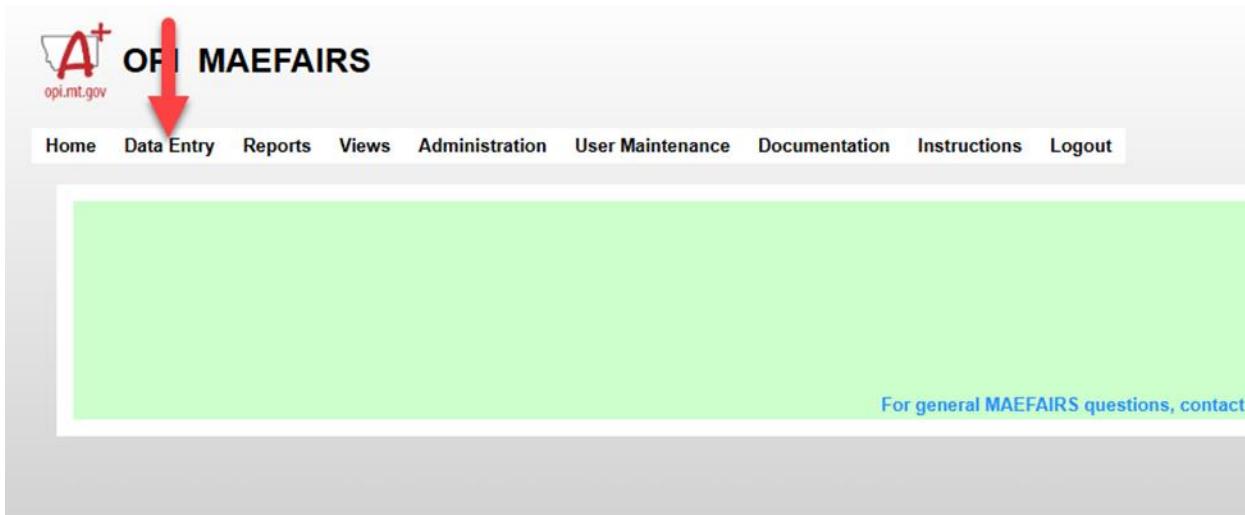
Login

Step 2: Once logged in to the secure portal click on the Financial Reporting (MAEFAIRS) icon.

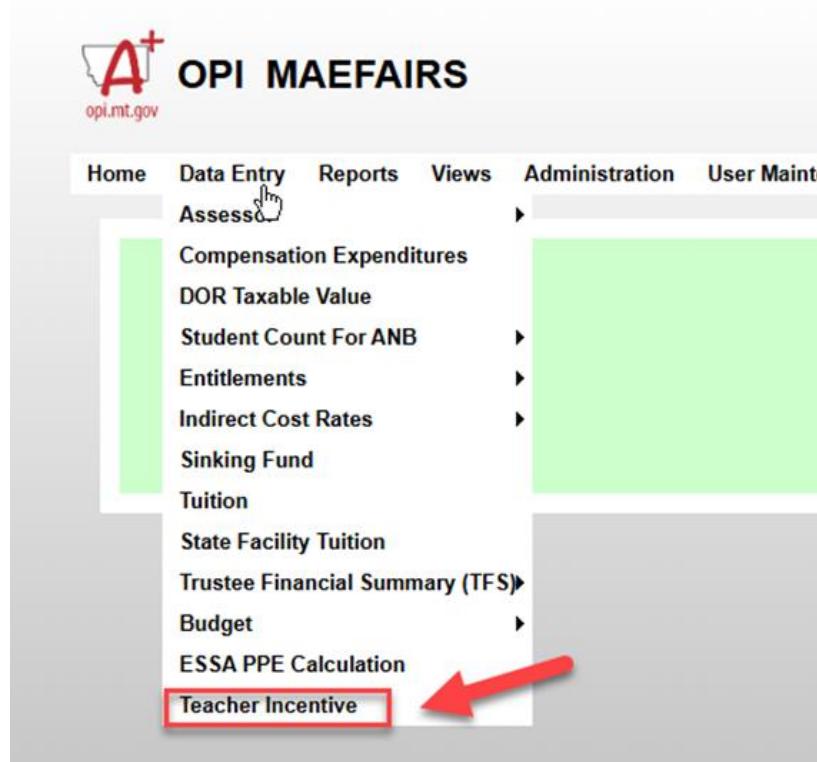
TEST OPI Secure Portal



Step 3: Move your cursor to the Data Entry tab at the top so the drop-down menu will show up.



Step 4: When the drop-down menu shows up, select Teacher Incentive.



Step 5: This screen is where you will enter your base teacher pay, prior year average teacher pay and certification information. All legal entities will need to complete this. This means that if a district has a high school and an elementary, both LE's will need to complete this step.

 **OPI MAEFAIRS**

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Teacher Incentive

In accordance with 20-9-324, MCA, the legislature seeks to provide an incentive for Educational Entities that meet legislative goals for competitive base pay of teachers. Educator payment amount provided in 20-9-306, MCA AND not less than 62% of the prior year average teacher pay in the Entity. Enter the Entities current year Base Teacher Pay.

Each Educational Entity wanting to participate in the Teacher Incentive Program will need to complete the application. This means an application for each LE. A K12 district will have two applications.

Please answer the following questions.

State FY: 2027 LE: 1

Current Year Base Teacher Pay: 2

Prior Year Average Teacher Pay: 3

Submit Teacher Incentive Application Should changes be needed after data is submitted, please contact the school finance division.

1. State FY: 2027 LE: select the LE from the dropdown that you are submitting an application for.
2. Current Year Base Teacher Pay: Enter the current year base teacher pay as described in the above definitions.
3. Prior Year Average Teacher Pay: Enter the prior year teacher average pay as described in the above definitions. New tabs have been added to the [General Fund Budget Spreadsheet](#) to assist you with the calculation of your prior year average teacher pay. This is an optional tool that has been added for your convenience. The tabs are titled: TEACH_STARS_ELEM, TEACH_STARS_HS and TEACH_STARS_K12. Use the tab that applies to your LE.

Step 6: Once the required information has been entered, click Submit Teacher Incentive Application.



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Teacher Incentive Application

In accordance with 20-9-324, MCA, the legislature seeks to provide an incentive for Educational Entities that meet legislative goals for competitive base pay of teachers and quality educator payment amount provided in 20-9-306, MCA AND not less than 62% of the prior year average teacher pay in the Entity. Enter the Entities current information.

Each Educational Entity wanting to participate in the Teacher Incentive Program will need to complete the application. This means an application for each LE. A K-12 LE is defined as a school district, charter school, or intermediate school.

Please answer the following questions.

State FY: 2027 LE:

Current Year Base Teacher Pay:

Prior Year Average Teacher Pay:

Submit Teacher Incentive Application Should changes be needed after data is submitted, please contact the school finance division.

How to make corrections to a submitted application:

If an error is made and data needs corrected on or before December 1st, 2025, a request to be unsubmitted will need to be made. Requests can be made to the OPI School Finance Division. Contacts are provided below.

Questions, who can you contact:

If you should have any questions, please contact Autumn Warren at (406) 444-9852 or Autumn.Warren@mt.gov. Questions can also be emailed to OPISchoolFinance@mt.gov.