



Implementing Differentiated Pay

District Webinar 1

October 31, 2013

Today's Agenda

- Review of Statute and Policies
- Differentiated Pay Options
- Differentiated Pay Submission Document
- Frequently Asked Questions
- District Planning Supports
- Stakeholder Engagement Resources
- Next Steps

Review of Statute and Policies



Compensation Law and Related Policies

- One Law
 - T.C.A. 49-3-306, adopted in 2007

- Two Policies
 - Revised annual minimum salary schedule for 2013-14
 - Revised differentiated pay guidelines for 2014-15

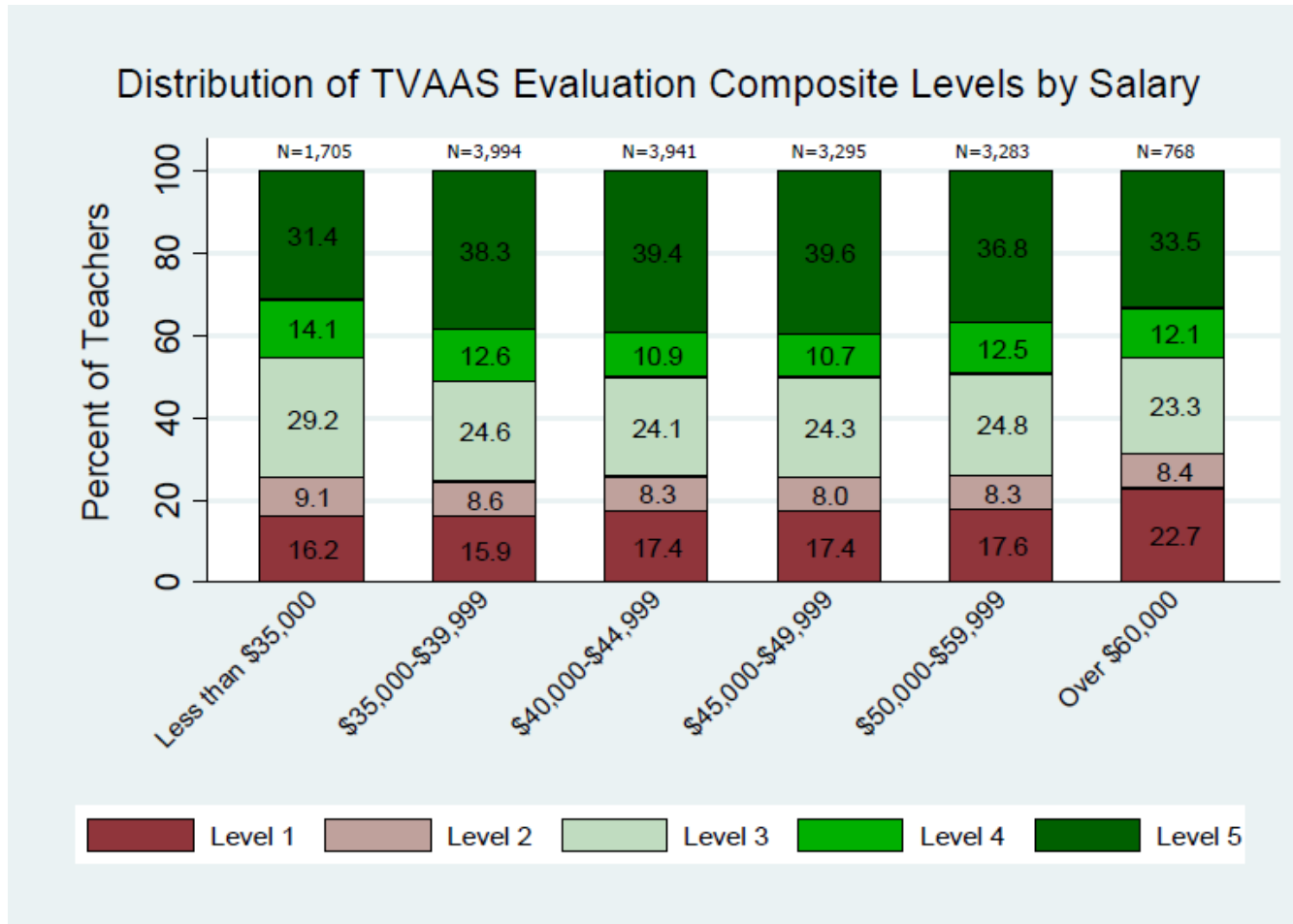
The policies are the result of feedback and research collected over the last year

- July 2012
 - State Board approved the 2012-13 salary schedule, but expressed concern about the existing schedule and urged continued exploration of the issue
- February 2013
 - The department presented research findings that showed a lack of relationship between criteria in the current state schedule and educator effectiveness
 - After review and discussion, the board asked the department to return in April 2013 with a revised salary schedule that took into account the results of the findings
- June 2013
 - State Board approves the 2013-14 salary schedule and revised differentiated pay plan

Previous salary schedule held districts to a rigid pay scale disconnected from teacher performance

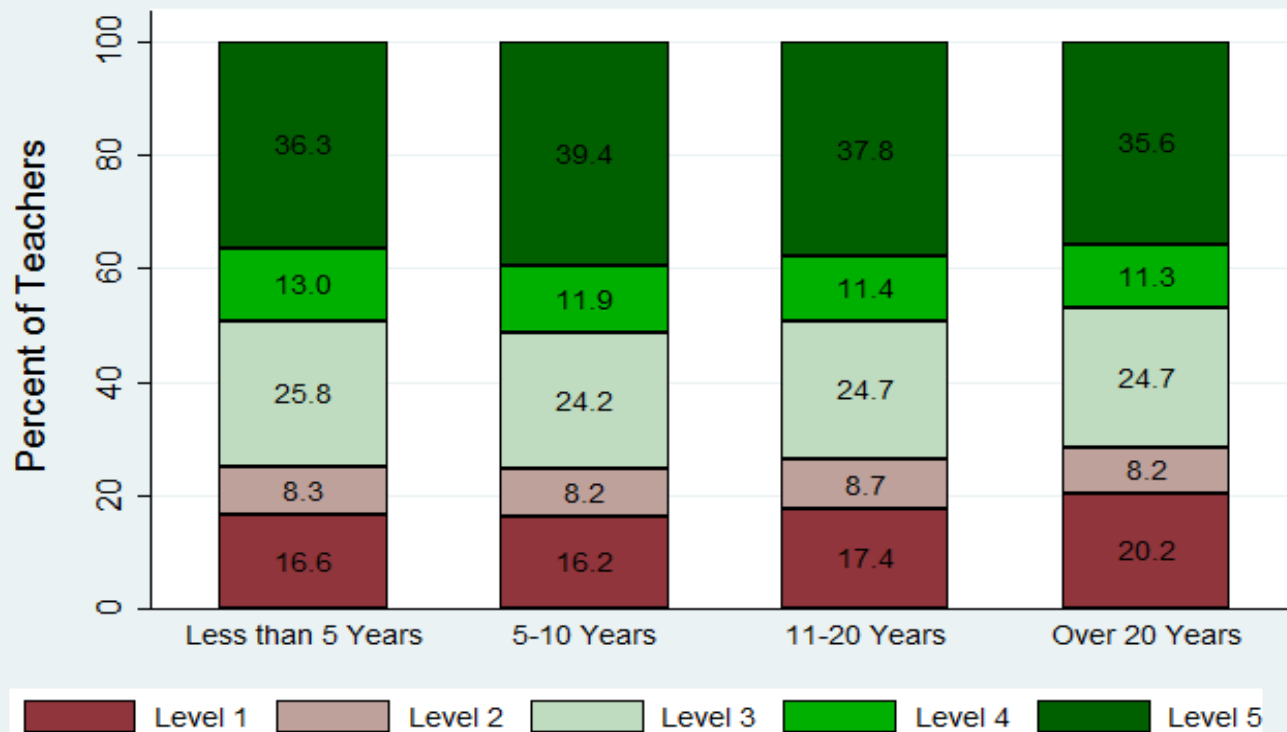
- Research in TN and elsewhere has found little to no relationship between teacher effectiveness and advanced degrees/long-term experience levels
- Research continues to emerge about the various ways that differentiated pay can support teacher improvement
 - Incentive pay in hard-to-staff areas
 - Higher pay for entry-level teachers
 - Increased pay based on teacher effectiveness
- TN districts are very diverse in terms of size, structure, location, and compensation needs
- 19 districts are currently developing or implementing strategic compensation models

The distribution of TVAAS does not differ substantially by salary level



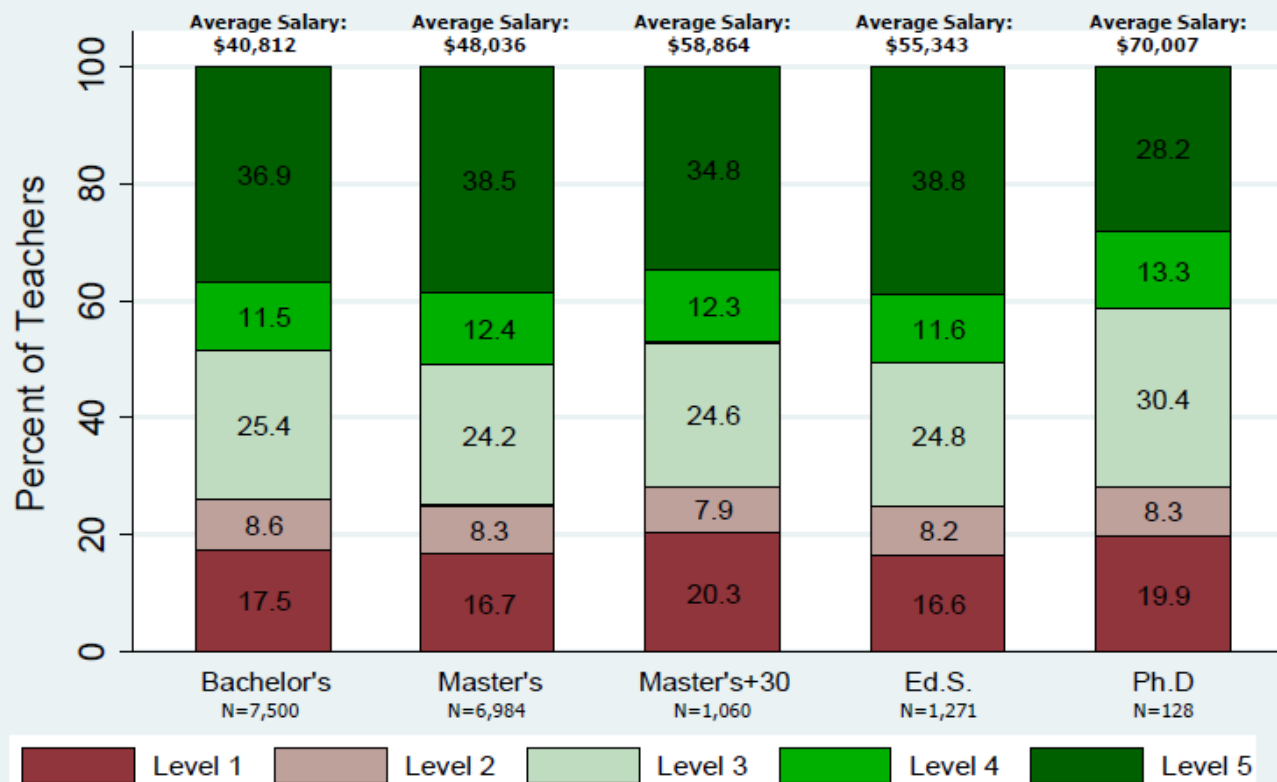
The distribution of TVAAS does not differ substantially by years of experience

TVAAS Evaluation Composite Levels by Years of Experience



Similarly, the distribution of TVAAS does not differ substantially by education level

Distribution of TVAAS Evaluation Composite Levels by Education Level



What does the law require?

- T.C.A. 49-3-306, adopted in 2007, requires that LEAs differentiate how they pay licensed personnel.
- No presently employed teacher can earn less than they currently make, they can only make more.
- Districts have flexibility under the law to develop and implement pay plans that meet their specific priorities, needs and context.

What do the policies require?

- (1) State minimum salary schedule
 - Adopted annually by State Board of Education
 - 2013-14 schedule
 - 1.5% applied to base
 - Steps and lanes streamlined to allow more flexibility for differentiated pay
 - Still recognizes experience and degrees, but to a lesser extent

2013-14 Schedule

Base Salary =
\$30,876

	Year 0	Years 1-5	Years 6-10	Years 11-15
with Bachelor's Degree	Base = \$30,876	Base + \$570 = \$31,446	Base + \$3,190 = \$34,066	Base + \$6,585 = \$37,461
with Advanced Degree	Base + \$3,415 = \$34,291		Base + \$7,030 = \$37,906	Base + \$10,890 = \$41,766

The new schedule increases the base salary by 1.5%, while giving districts additional flexibility

With Bachelor's Degree		With Advanced Degree	
2013-2014 Schedule	2012-2013 Schedule	2013-2014 Schedule	2012-2013 Schedule
<i>Year 0</i> Base = \$30,876	<i>Year 0</i> Base = \$30,420		
<i>Years 1-5</i> Base + \$570 = \$31,446	<i>Year 1</i> \$30,990	<i>Years 0-5</i> Base + \$3,415 = \$34,291	<i>Year 0</i> \$33,835
<i>Years 6-10</i> Base + \$3,190 = \$34,066	<i>Year 6</i> \$33,610	<i>Years 6-10</i> Base + \$7,030 = \$37,906	<i>Year 6</i> \$37,450
<i>Years 11-15</i> Base + \$6,585 = \$37,461	<i>Year 11</i> \$37,005	<i>Years 11-15</i> Base + \$10,890 = \$41,766	<i>Year 11</i> \$41,310

What do the policies require?

- (2) Differentiated Pay Principles:
 - Districts may reward teachers who teach in high needs schools or high needs subject areas.
 - Districts may reward teachers for performance based on state board approved evaluation criteria.
 - Districts may choose to give additional compensation to teachers who take on additional instructional responsibilities (i.e. teacher mentors, instructional coaches).
 - Districts may choose to adopt alternative salary schedules in order to meet requirements of the differentiated pay policy.

Other important things to know

- Districts have lots of flexibility in developing plans.
 - The policy does not require performance pay.
 - One or more of the pay principles may be included in a district's plan.
 - An across-the-board pay increase based solely on training and experience does not meet the requirements of differentiated pay.
- Over the past three years, more than \$130 million in new, recurring funds have been added for teaching compensation.

Differentiated Pay Options



Salary Schedule

- Critical decision about what, if any, modifications you want to make to your salary schedule
- This choice has implications on the level of differentiation you are able to incorporate within current budget constraints
- Options include:
 - Pursuing an alternative salary schedule
 - Modifying the step and lane schedule
 - Keeping the traditional step and lane schedule

What constitutes an alternative salary schedule?

- Introduction of some component, most often performance criteria, in addition to or in place of education and experience **to determine base pay** or any scenario that would not meet the state minimums
- Note: If you are considering this option, TDOE and BFK are able to provide additional, one-on-one support to prepare for State Board approval.

Alternative Salary Schedules

- The following would be considered an alternative schedule:
 - Eliminating step increases for Level 1 and 2 teachers
 - Implementing effectiveness steps (using TEAM scores to differentiate the amount of a base pay increase)
 - Eliminating pay for master's degrees or only providing tuition reimbursement

- The following would NOT be considered an alternative schedule:
 - Bonuses for TEAM scores
 - Reducing the amount of your step increases or education pay (as long as you are above the state minimums)

What are options for non-tested teachers in an alternative salary schedule?

- Include them based on composite scores, just like tested teachers
- Remove the school-wide measure from non-tested teachers for the purposes of compensation
- Phase non-tested teachers into the differentiated pay plan as additional individual growth scores and more specific school-wide scores become available

What are the considerations for including an opt-in/out provision?

- Districts pursuing an alternative salary schedule are able to provide an opt-in/out provision for educators
- Important considerations when allowing opt-in/out:
 - Think of the overall value proposition to make opt-in more attractive
 - Ensure that the majority of teachers earn the same or more in the new plan
 - Provide a grandfathering period
 - Determine cost implications
- What happens when a teacher opts-out?
 - Stay on the 13-14 schedule, continue increases for experience
 - Stay at their current base pay

Differentiated Pay Submission Document



Differentiated Pay Submission Document

- Released on Oct. 22 via the Director's Update and is also available at http://tn.gov/education/ds/diff_pay.shtml

- Document contains:
 - All timelines
 - Key terms
 - Alternative salary schedule addendum

Frequently Asked Questions



Frequently Asked Questions

- Do the changes impact how funding for salaries flows to the district?
- Does the 1.5% instructional component increase have to be used for salaries?
- Can any extra funds be carried over into a future school year?
- Do both base pay changes and bonuses count toward retirement benefits through TCRS?
- Are there any guidelines around how differentiated pay plans will be approved?

District Supports for Implementation



Technical Assistance Plan

Timeline	Action
August-December 2013	Phase 1 Cohort: Accelerated planning cohort sessions
August-September 2013	Regional Sessions: Communications and awareness/engagement session
Oct. 22	Release via Director’s Update and post on CORE webpages the following: <ul style="list-style-type: none"> • Release Differentiated Pay Submission document • Release Part 1 of Resource Guide—Stakeholder Engagement
Oct. 31 10:00 a.m. (CDT)	District Webinar 1 covering the following: <ul style="list-style-type: none"> • Overview of Differentiated Pay Submission document • Stakeholder Communications • General FAQs

Differentiated Pay website: http://tn.gov/education/ds/diff_pay.shtml

Technical Assistance Plan Continued

Timeline	Action
Nov. 5	Release via Director’s Update and post on CORE webpages the following: <ul style="list-style-type: none"> • Part 2 of Resource Guide—Design Options
Nov. 15 9:00 a.m. (CST)	District Webinar 2 covering the following: <ul style="list-style-type: none"> • Design considerations • Draft ideas from accelerated cohort
Dec. 3	Release via Director’s Update and post on CORE webpages the following: <ul style="list-style-type: none"> • Part 3 Resource Guide—Financial Modeling and Sustainability
Dec. 16 10:00 a.m. (CST)	District Webinar 3 covering the following: <ul style="list-style-type: none"> • Financial Modeling and Sustainability
January 2014	Differentiated pay plans can be submitted
Ongoing after submission	Differentiated pay plan approval notification (within 3 weeks of submission)
Ongoing	Implementation support

Stakeholder Engagement



Stakeholder Engagement

- Focus of Part 1 of the Differentiated Pay Resource Guide
- Critical to successful design and implementation
- Pre- and During- Design Engagement
- Post-Design Communications

Coming Up

- Design Resources Released:
 - Nov. 5: Part 2 of Differentiated Pay Resource Guide Released
 - Nov. 15 9:00 a.m. (CST): District Webinar 2
 - Dec. 3: Part 3 of Differentiated Pay Resource Guide Released
 - Dec. 16 10:00 a.m (CST): District Webinar 3

- Upcoming Presentations:
 - TASPAs: Nov. 7
 - TSBA: Nov. 11
 - TASBO: Nov. 12 and 14

Contact Information

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- District Support:
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