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| TENNESSEE STATE BOARD OF EDUCATION | |
| STRATEGIC COMPENSATION POLICY | 5.600 |

POLICY SECTIONS

- I. General Compensation Requirements
- II. Differentiated Pay Plans
- III. Differentiated Pay Plan Criteria
- IV. Alternative Salary Schedules

I. GENERAL COMPENSATION REQUIREMENTS

- (1) Local boards of education shall adopt a salary schedule that meets or exceeds the minimum requirements of the salary schedule adopted by the State Board. Local boards of education shall adopt a salary schedule based on a combination of experience and academic training or may propose an alternative salary schedule in accordance with the criteria of this Policy and State Board Rule 0520-01-02-.02 Salary Schedules for approval by the State Board of Education and the Commissioner of Education.

II. DIFFERENTIATED PAY PLANS

- (1) Pursuant to T.C.A. § 49-3-306, each LEA must adopt and implement a differentiated pay plan to aid in staffing hard-to-staff subject areas and schools and attracting and retaining highly qualified teachers.
- (2) The primary purpose of differentiated pay is to support teacher effectiveness and improve teacher recruitment and retention. All differentiated pay plans shall meet the following guidelines:
 - (a) Each LEA shall develop and adopt differentiated pay plans for teachers that shall be submitted to the Department of Education annually for approval. Any changes made to the differentiated pay plan after approval must be re-submitted to the Department for approval prior to implementation of these changes by the LEA. This includes any vacancy data-informed changes made by the LEA to the differentiated pay plan.
 - (b) Differentiated pay plan approval shall be contingent upon the following:
 - 1. Evidence of implementation of an approved differentiated pay plan in the previous school year,
 - 2. Evidence the proposed differentiated pay plan meets the criteria outlined in this policy, and

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3. Submission of LEA vacancy data for the current school year using a template provided by the Department, confirmation of LEA permit and waiver data provided by the Department for the current school year, and submission of any data informed changes made by the LEA to their differentiated pay plan by a timeline determined by the Department.
- (c) Differentiated pay shall be one (1) component of an LEA's overall human capital/talent management strategy and shall be considered as part of an LEA's overall compensation structure. When determining funding scenarios, LEAs should examine all applicable federal, state, and local funding received to determine what sources will fund the differentiated pay plan.
- (d) Each differentiated pay plan shall have at least one (1) component from the criteria below and the LEA must be able to ensure implementation for the current school year. Plans for which there are no eligible educators who meet the criteria will not be considered for approval. If a component in the differentiated pay plan is not paid out for two (2) consecutive years, the addition of a second eligible component shall be required in the plan until at least one (1) eligible payout is made.
- (e) Each LEA shall report annually on the implementation of its differentiated pay plan on a timeline determined by the Department. Implementation requires that LEAs compensate eligible educators as outlined by the approved LEA plan for the school year in which they are reporting. LEAs may submit their implementation reports for the previous school year as a part of the current year differentiated pay plan submission if that data is available at the time of submission.
- (f) LEAs may provide additional compensation for other responsibilities that support student organizations or extracurricular activities, attendance bonuses, or national board certification. However, these opportunities will not be considered in determining whether the minimum differentiated pay guidelines have been met.
- (g) LEAs may provide additional compensation for school and LEA administrators; however, these opportunities will not be considered in determining whether the minimum differentiated pay guidelines have been met.

III. DIFFERENTIATED PAY PLAN CRITERIA

- (1) Each differentiated pay plan submitted to the Department shall include compensation for teachers based on at minimum one (1) of the following criteria:

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(a) High needs subject areas and schools, sometimes referred to as hard to staff:

1. High needs schools are defined as schools with significant populations of historically disadvantaged students (low income, special education, racial/ethnic subgroups), schools with significant populations of Below/Approaching students, schools with low teacher retention rates or high teacher turnover, and schools with equity gaps/effective teaching gaps.
2. High needs subject areas are defined as content or grade levels that LEAs struggle to recruit and retain effective teachers for positions.

Metrics to determine this could include any positions not filled by Oct 15, shifting effective teachers to priority areas, etc. The Every Student Succeeds Act (ESSA) outlines the necessity for providing a well-rounded education, which means high needs subject areas are not limited to reading or math but could also include fine arts, special education, foreign language, career/technical educators, etc.

3. LEAs are encouraged to use annual or trend LEA- or school-level data to determine which areas of need could be supported with a hard to staff incentive.

(b) Instructional roles and/or responsibilities:

1. Instructional roles and/or responsibilities are defined as duties assigned in addition to classroom responsibilities that allow educators to build leadership capacity and increase effective educator practice across schools and the LEA. Roles should support increasing educator effectiveness at the grade, school, or LEA level.
2. Additionally, roles in which educators are enhancing LEA capacity to support populations with unique needs may be considered for eligibility, but these roles must clearly build the leadership capacity of eligible educators.
 - a. This may include roles that coordinate support services for special populations, such as students with Individualized Education Plans, 504 plans, English Learners, or students identified as at-risk in the State Board of Education High School Policy 2.103.

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- b. Roles that support the coordination of credit-bearing courses may also be considered, for example, a dual enrollment course coordinator.

- (c) Performance:
 - 1. Performance components differentiate pay based on teacher effectiveness data or accountability data (for use at school/LEA level).

 - 2. LEAs can provide stipends/bonuses or base pay increases. Base pay increases of any type, including those determined by a teacher's level of overall effectiveness or other accountability data, qualify as an alternative salary schedule and are subject to approval by the Board pursuant to Section IV of this policy.

IV ALTERNATIVE SALARY SCHEDULES

- (1) An alternative salary schedule uses some other component, often performance criteria, in addition to or in lieu of education and experience to determine base pay.

- (2) Alternative salary schedules are those that deviate from the state minimum salary schedule, including salary schedules that do not automatically recognize advanced degrees at the Master's level or those that provide base pay increases based on performance or effectiveness data. These are subject to State Board approval as an alternative salary schedule.

- (3) LEAs proposing an alternative salary schedule as a component of their differentiated pay plan should notify the Department no later than February 1 prior to the school year of intended implementation. For LEAs with an existing alternative salary schedule, any changes should be submitted by February 1 prior to the school year of intended implementation.

- (4) Alternative salary schedules approved by the State Board are valid for three (3) years. Every three (3) years, LEAs must re-submit and obtain approval by the Board to continue with the alternative salary schedule. If changes are proposed during the three (3) year approval cycle, the LEA must contact the Department to determine whether State Board consideration and approval is necessary. The Department will work with the LEA to recommend the alternative salary schedule to the State Board for approval.