



# Strategic Compensation Update

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October 2017

# Agenda

- Compensation Reform in Tennessee
- Changes in Teacher Pay
- Tennessee Teacher Perceptions
- Differentiated Pay
- Takeaways



**TN**



**Compensation  
Reform in Tennessee**

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# Compensation Reform in Tennessee

2007

- Compensation law passed by legislature

2010-11

- Evaluation required as part of First to the Top Act and required to be used as “a factor” in human capital decisions
- Strategic compensation plans emerge funded with Race to the Top (4 districts) and TIF Round 3 (12 districts)

2012

- Additional strategic compensation plans funded with TIF Round 4 (3 districts)

2013-14

- State minimum salary schedule changes to allow for increased local flexibility
- Differentiated pay guidelines updated by State Board

2014-15

- First year of state-wide differentiated pay implementation

2017

- Nearly \$450M invested in teacher salaries
- Strategic Compensation policy passed by the State Board

# Tennessee Succeeds: Educator Support

## *Supporting the preparation and development of an exceptional educator workforce*

- Focus educator preparation providers on **outcome measures** via provider approval, the annual report and the report card.
- Improve the **accuracy** of educator evaluation and the **quality** of the **feedback** educators receive.
- Support district development of more effective **personalized professional learning** components through tools that allow better tracking and evaluation of results.
- Support districts in creating **greater differentiation** of teacher **roles, responsibilities, and salaries.**
- Create statewide and regional **leadership pipelines** that produce **transformational** school leaders.

# The strength of Tennessee's classroom is defined by the strength of Tennessee's educators

Preparation

Recruitment

Hiring

Evaluation  
and  
Development

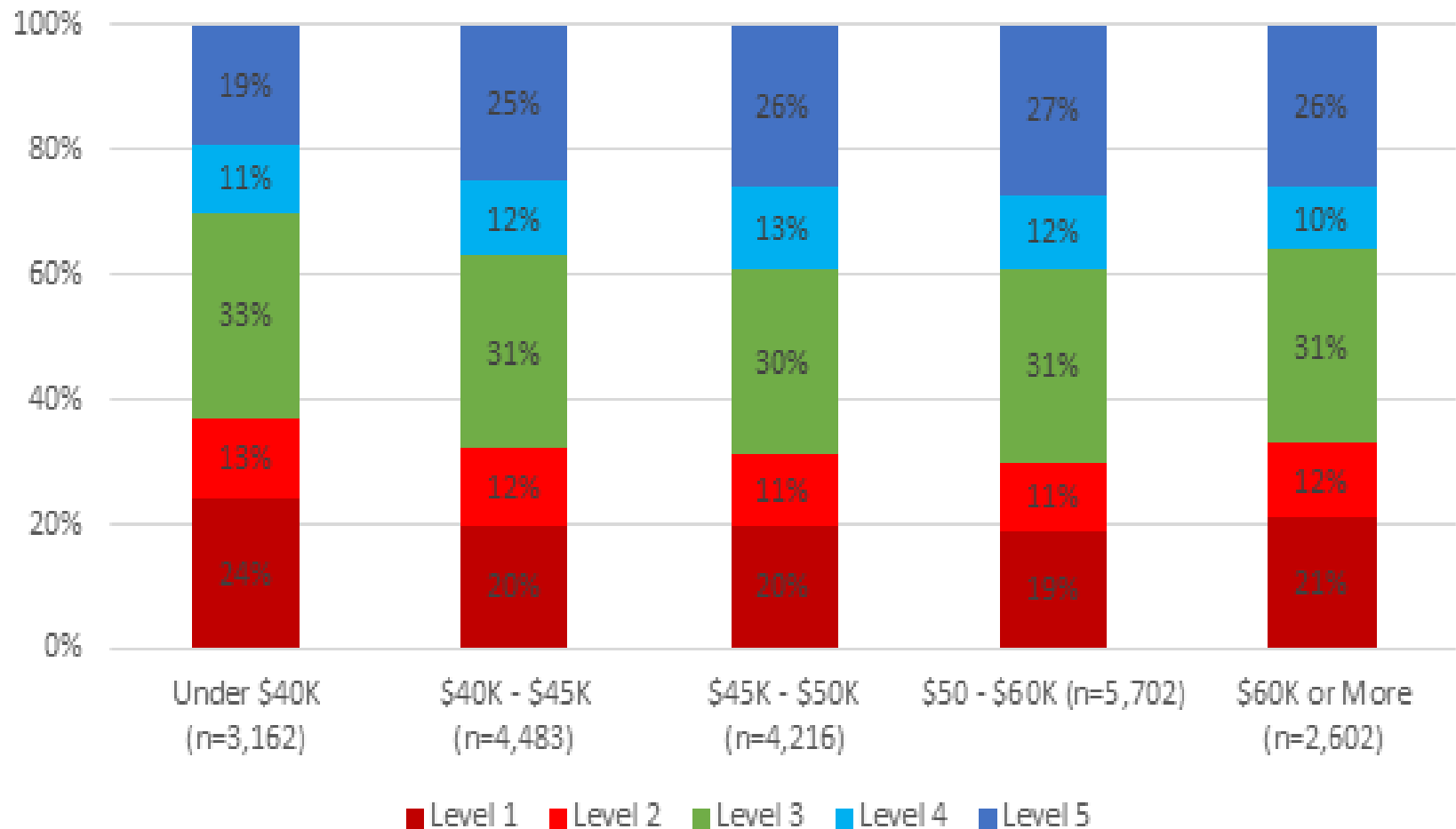
Compensation

Teacher  
Leadership  
and  
Pathways

Effective evaluation implementation allows districts to make **smarter** decisions about teacher recruitment, selection, evaluation, development, compensation, and retention.

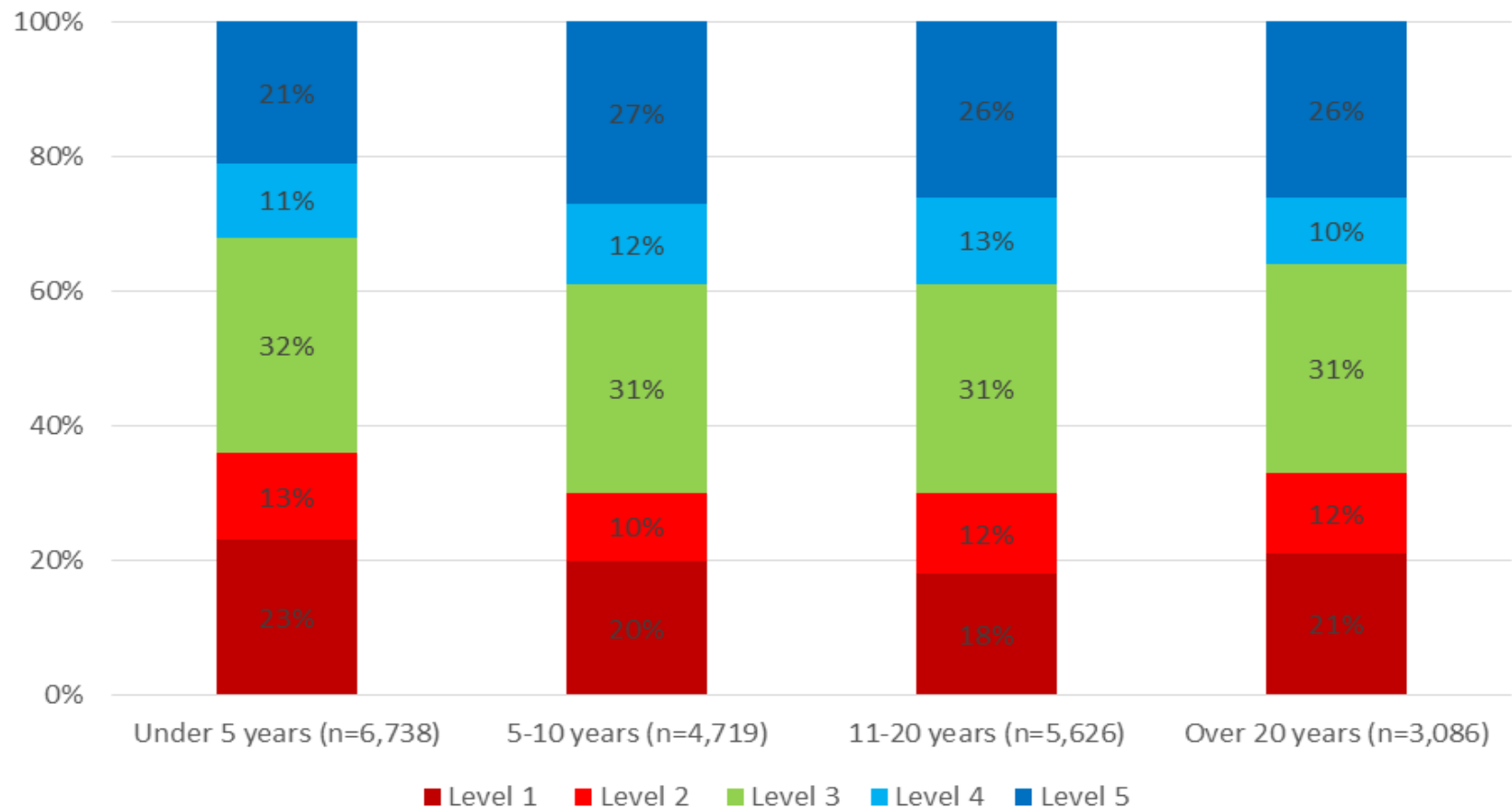
# Why strategic compensation?

## TVAAS 2016-17 Composite Levels by Salary



# After five years, there is little difference in performance based on experience

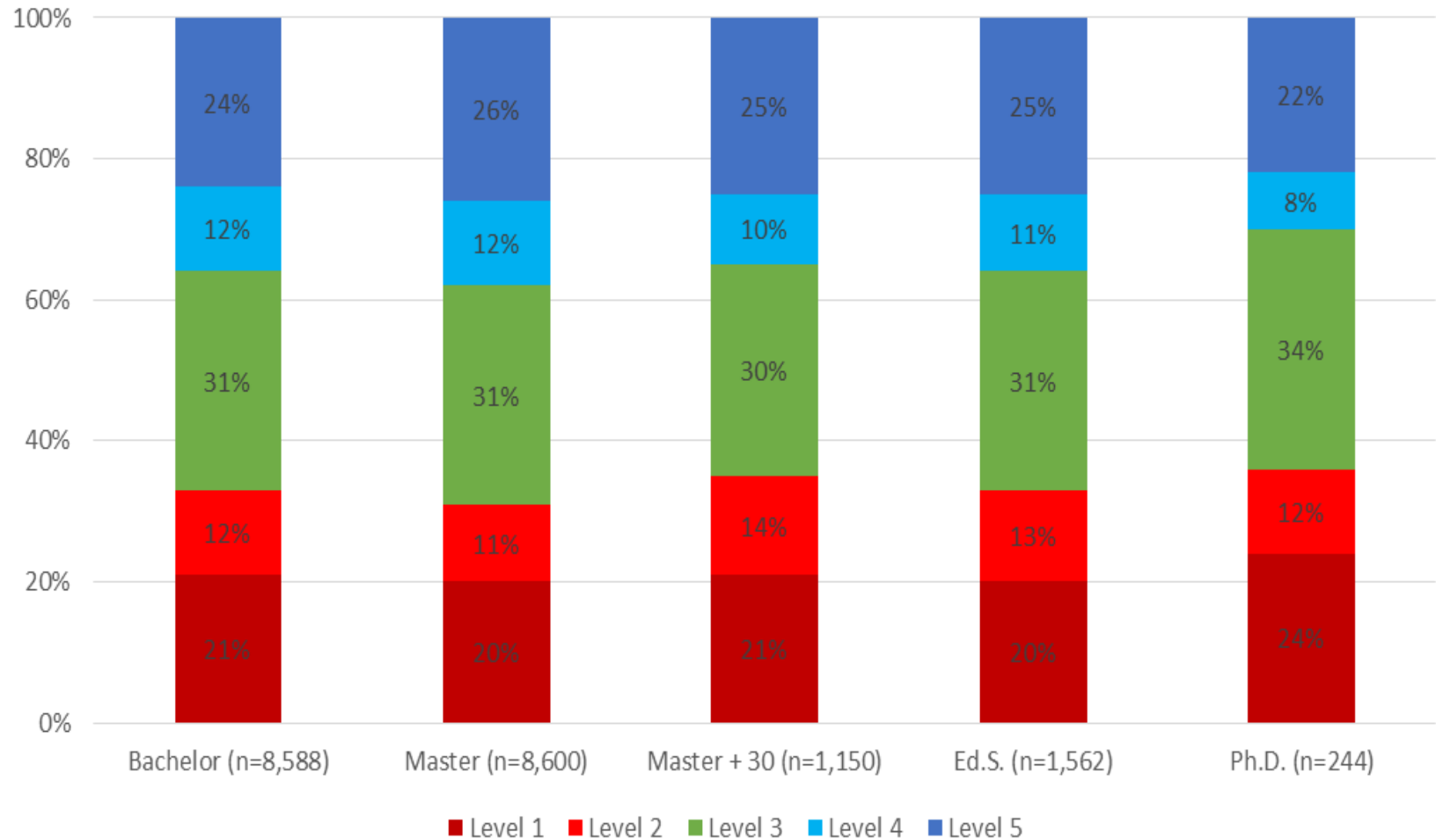
TVAAS 2016-17 Composite Levels by Years of Experience





# Advanced degrees have little correlation with student outcomes

TVAAS 2016-17 Composite Levels by Education Level



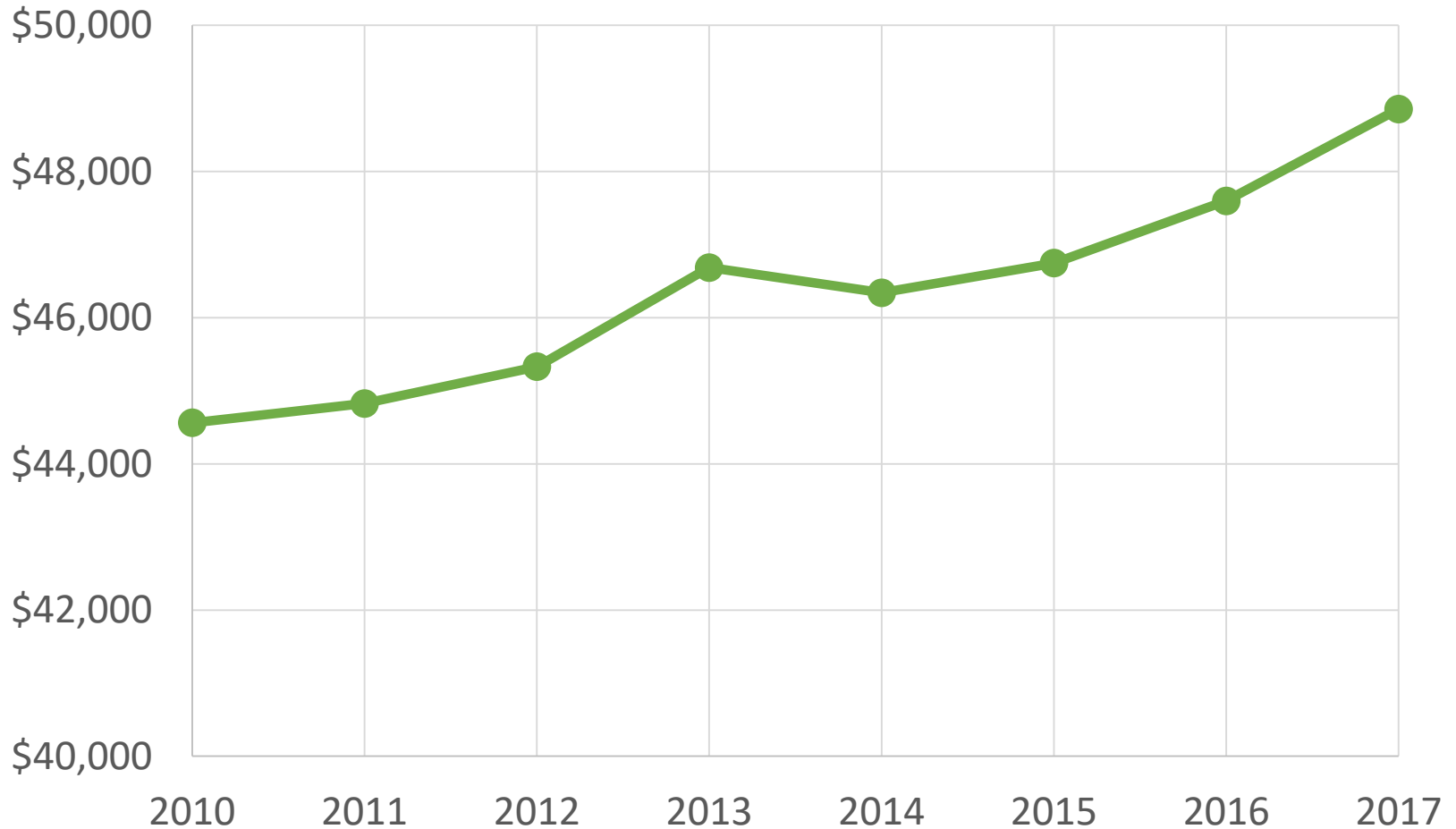


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# Changes in Teacher Pay

# Median teacher pay has increased

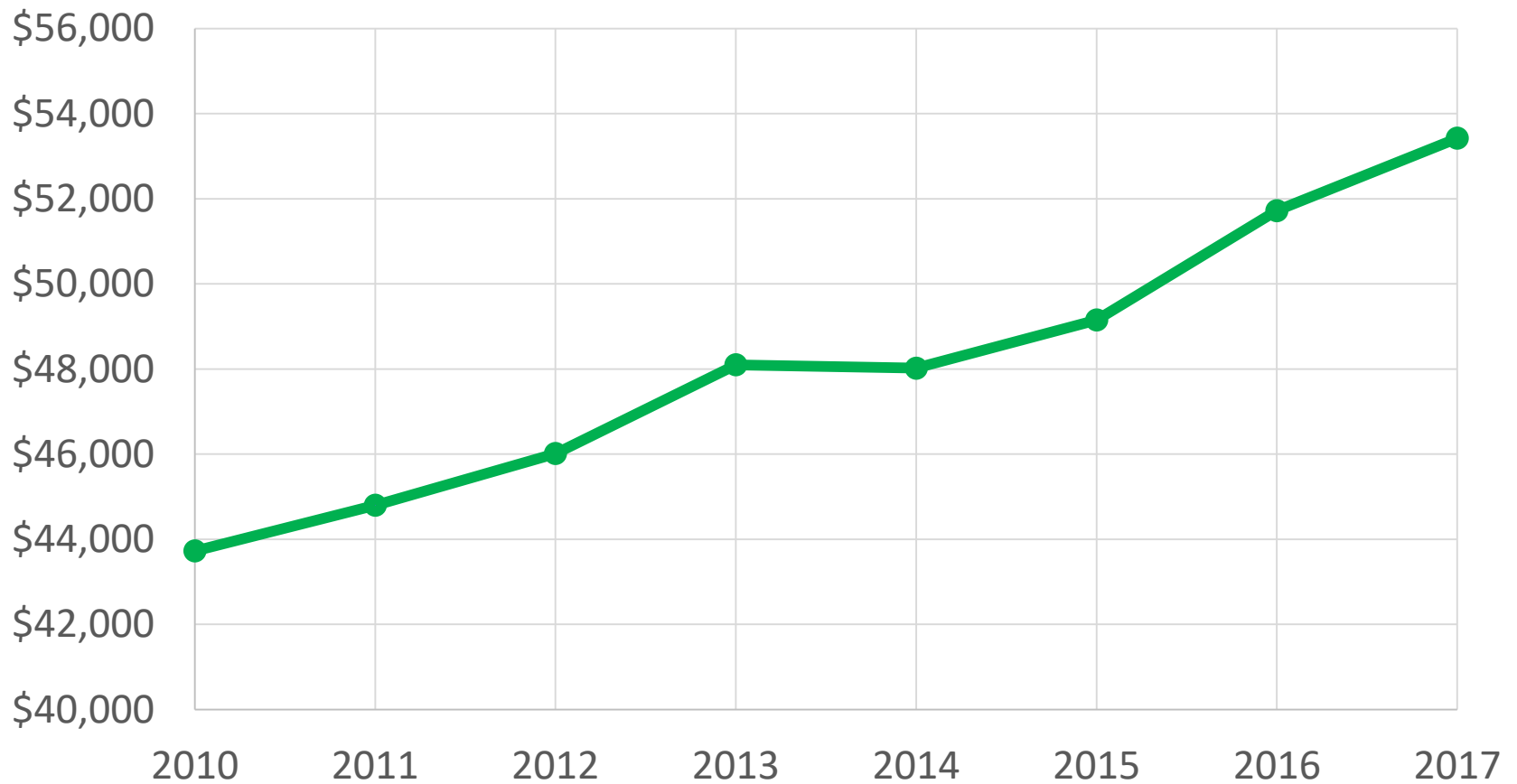
Median Teacher Salary in Tennessee



# Pay has increased 22 percent for teachers who have worked in TN schools from 2010 – 2017

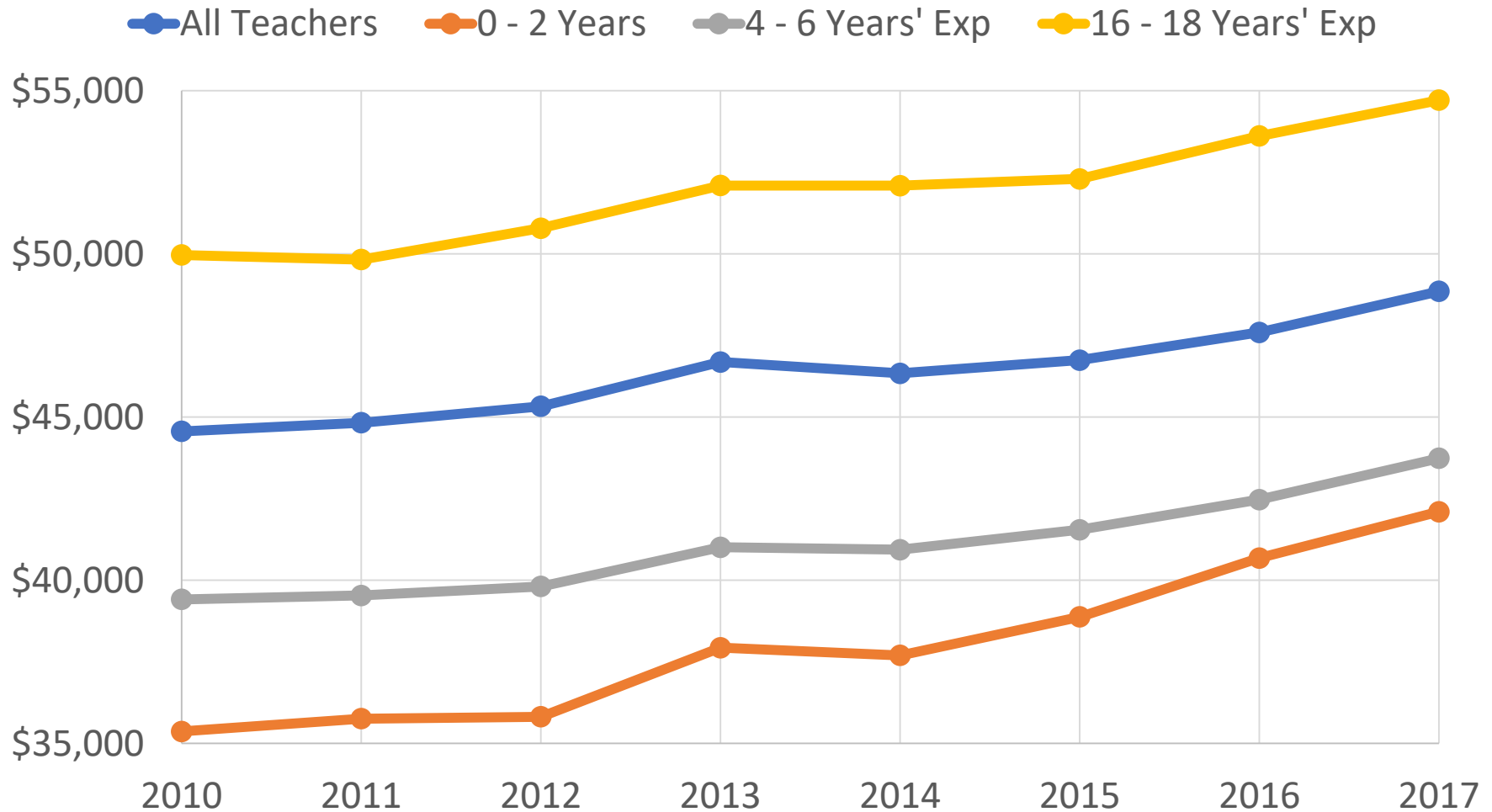
Median Salary for 2010 - 2017 Cohort

2010-17 Cohort



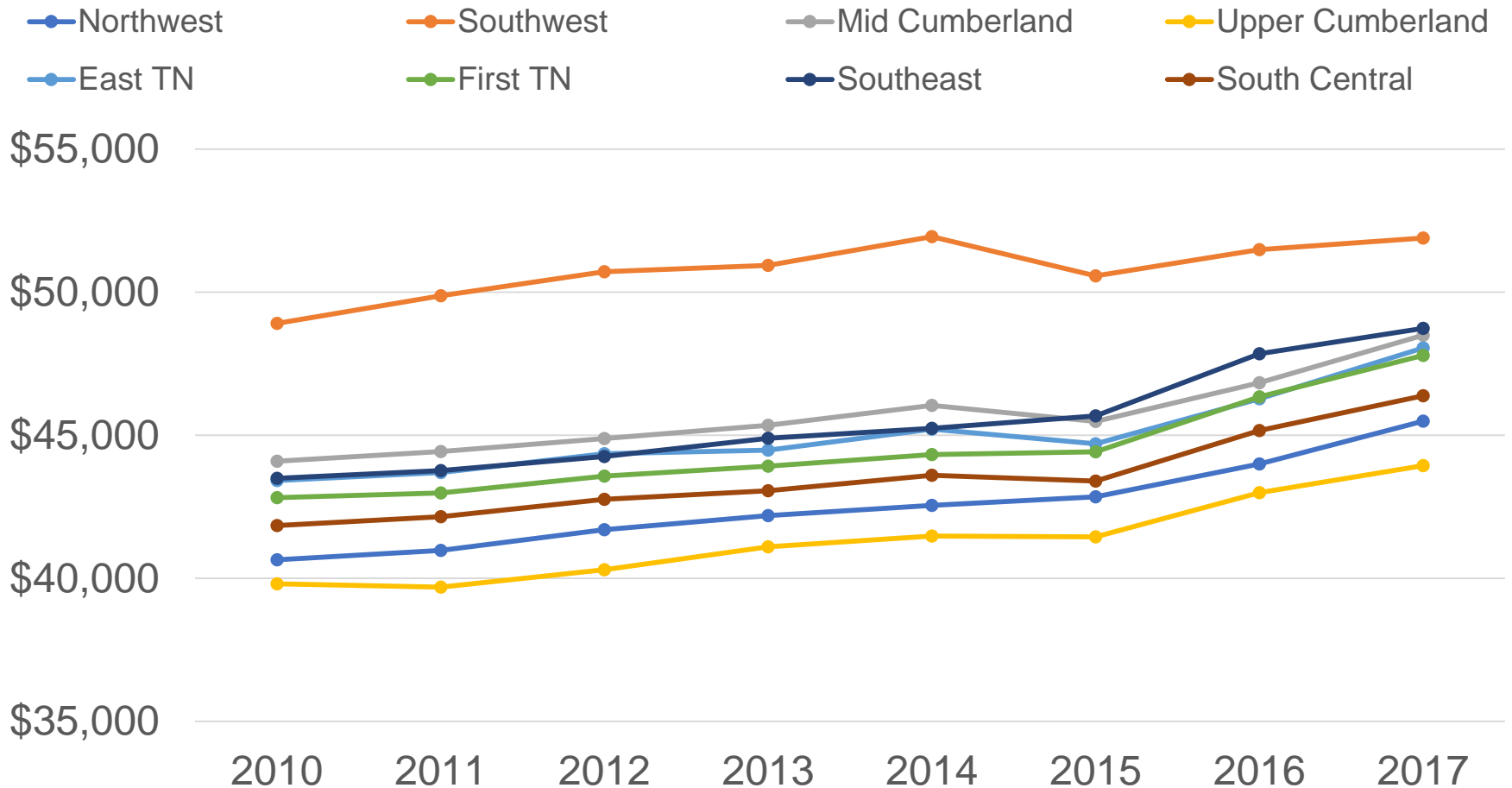
# Pay is increasing for all teachers at all levels of experience

Teacher Salaries by Experience



# Teacher pay is increasing in all regions

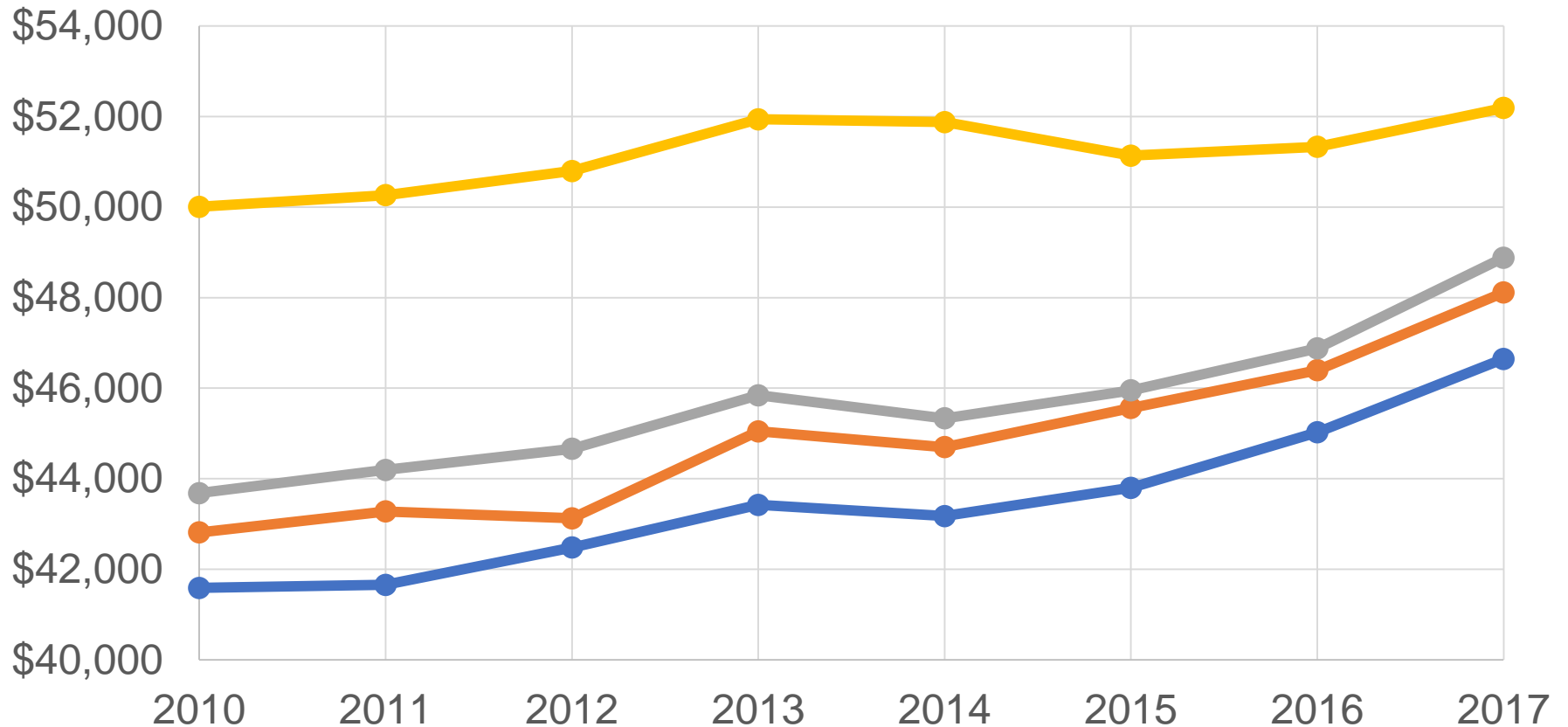
## Teacher Salary by Region



# Pay is increasing in small and medium-sized districts at higher rates than in the largest districts

## Teacher Salaries by District Size

Under 5000 students   5 - 10K students   10 - 40K students   4 Largest Metro Areas





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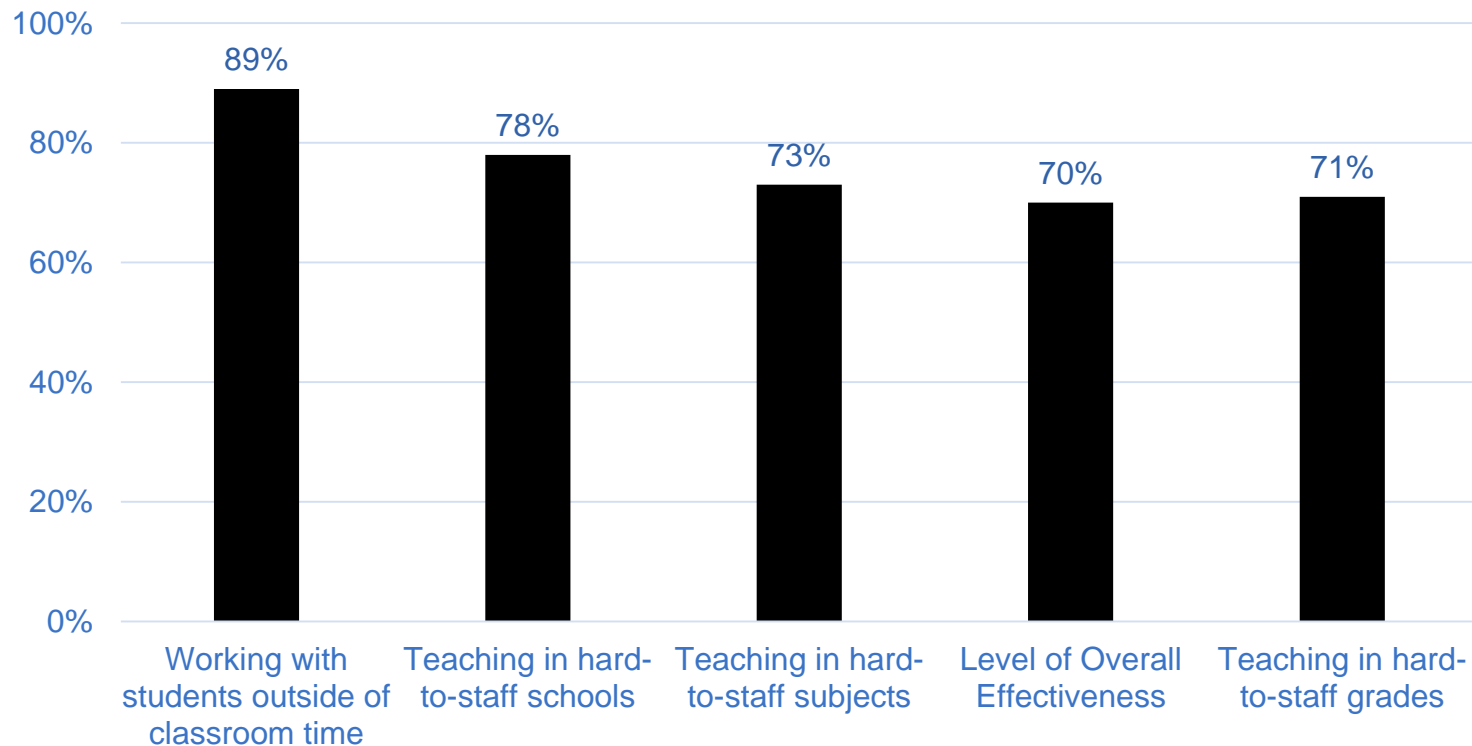
# Tennessee Teacher Perceptions

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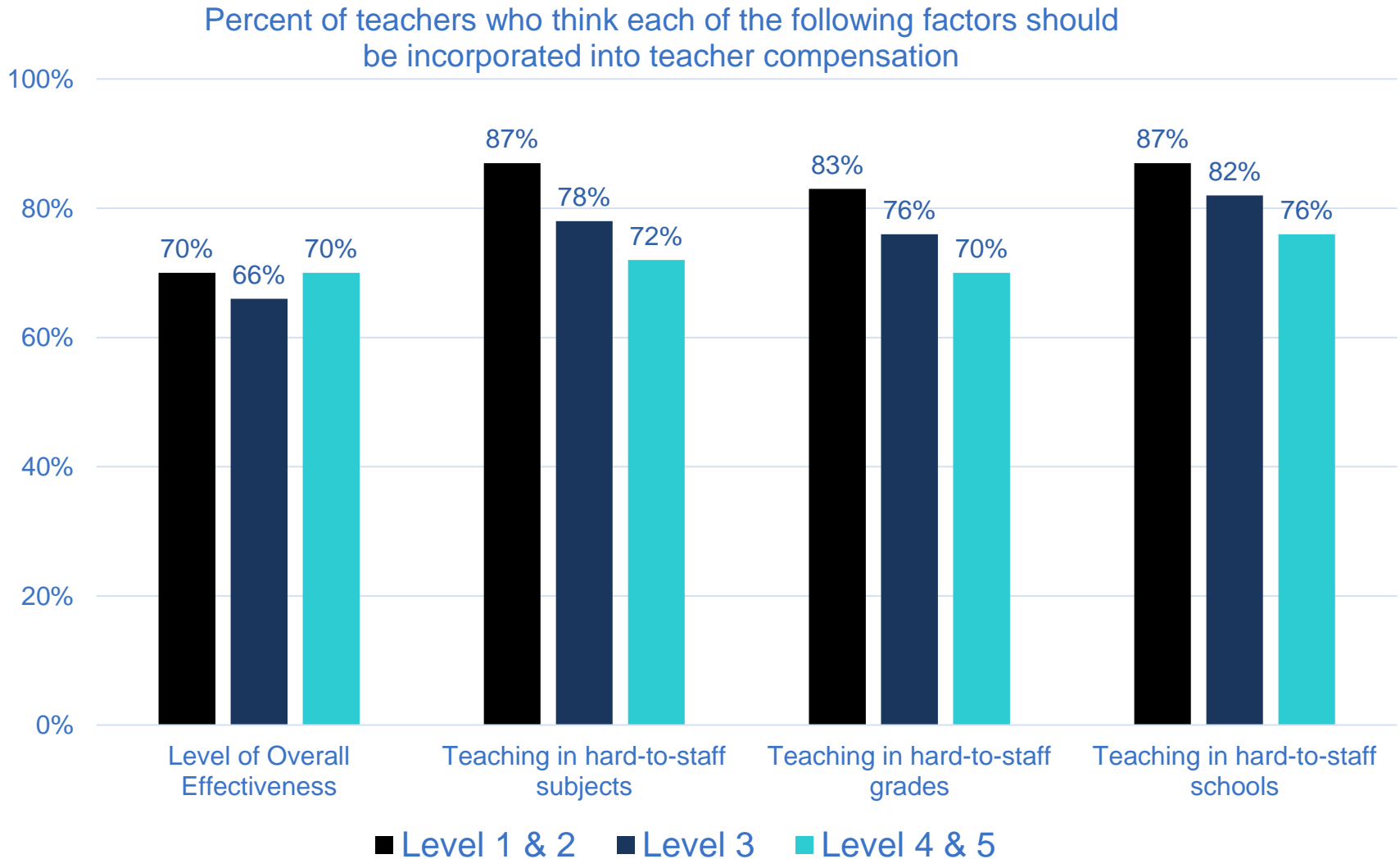


# Most teachers think that many factors should be incorporated into teacher compensation

Percent of teachers who think each of the following factors should be incorporated into teacher compensation

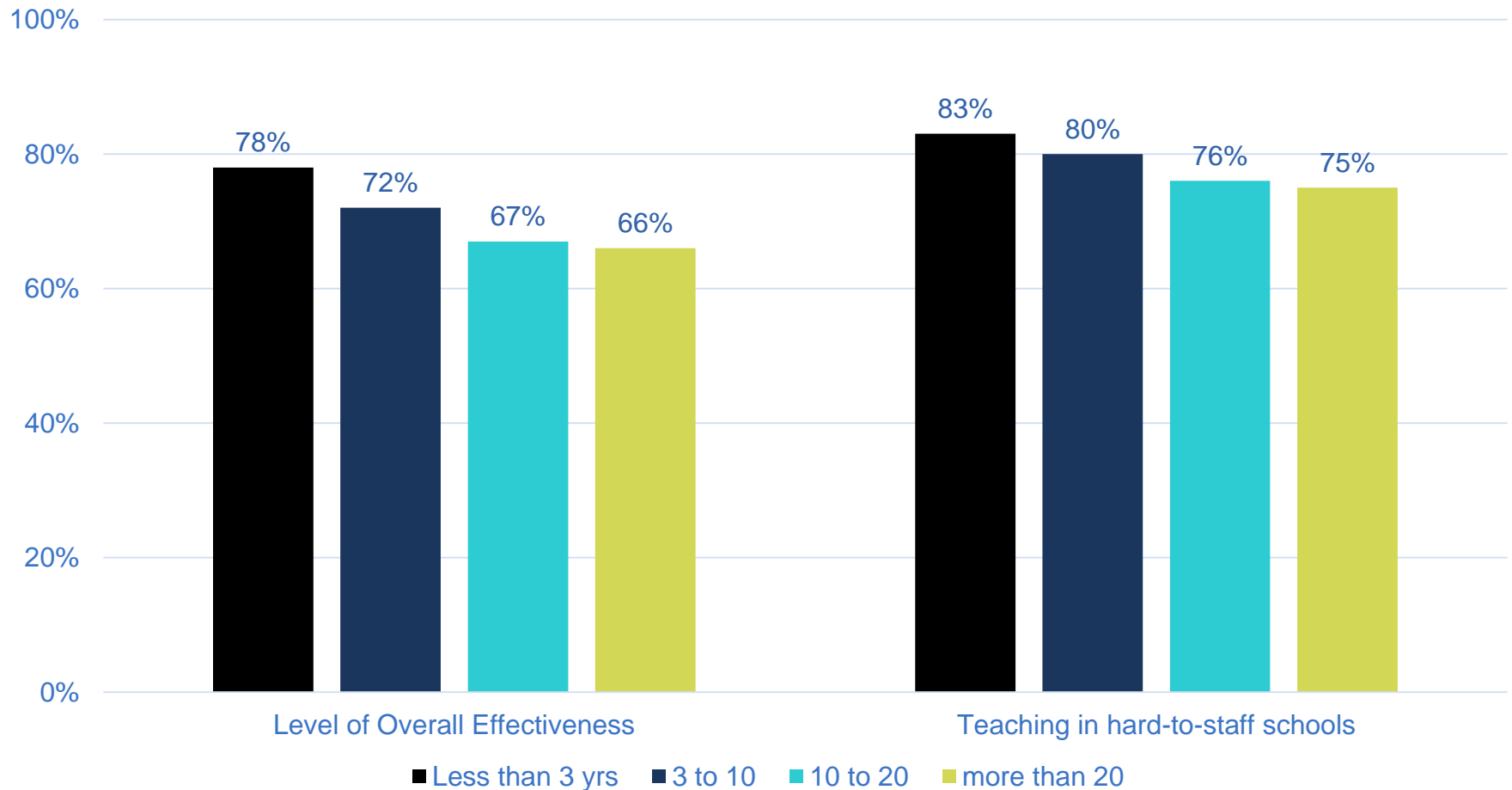


# Teachers' opinions of whether LOE should matter for compensation did not vary on average by prior year LOE



# Teachers with fewer years of experience were more in favor of differentiated compensation options

Percent of teachers who think each of the following factors should be incorporated into teacher compensation



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**Differentiated Pay**

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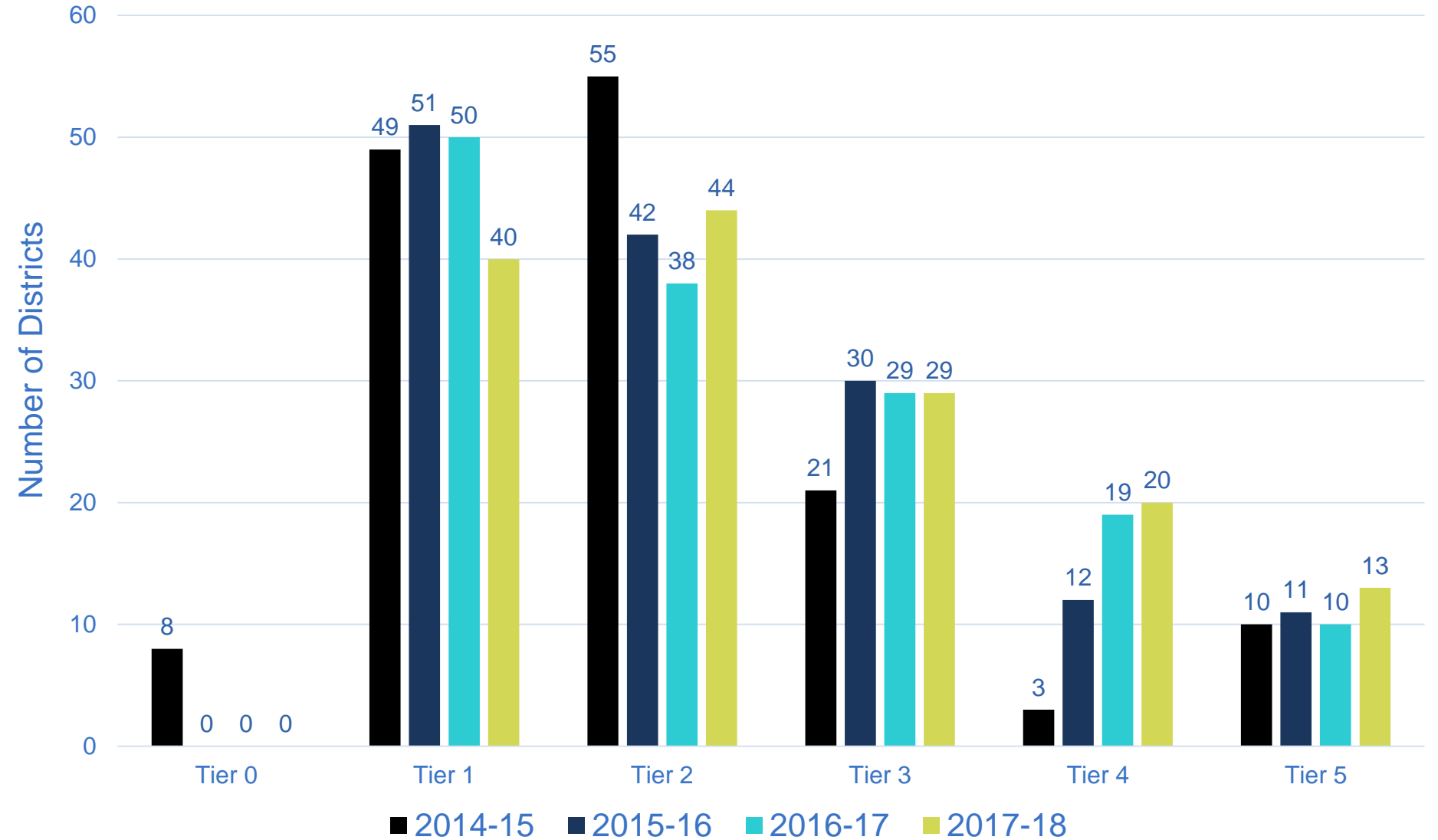
# Strategic Compensation Policy

- Requires LEAs differentiate how they pay licensed personnel
- Districts have flexibility under the law to develop and implement pay plans that meet their specific priorities, needs, and context:
  - Reward teachers who teach in high-needs schools or high-needs subject areas
  - Reward teachers for performance based on state board-approved evaluation criteria
  - Additional compensation to teachers who take on additional instructional responsibilities (i.e. teacher mentors, instructional coaches)
  - Adopt alternative salary schedules
- Requires evidence of implementation of differentiated pay plan
- No presently employed teacher can earn less than they currently make; they can only make more

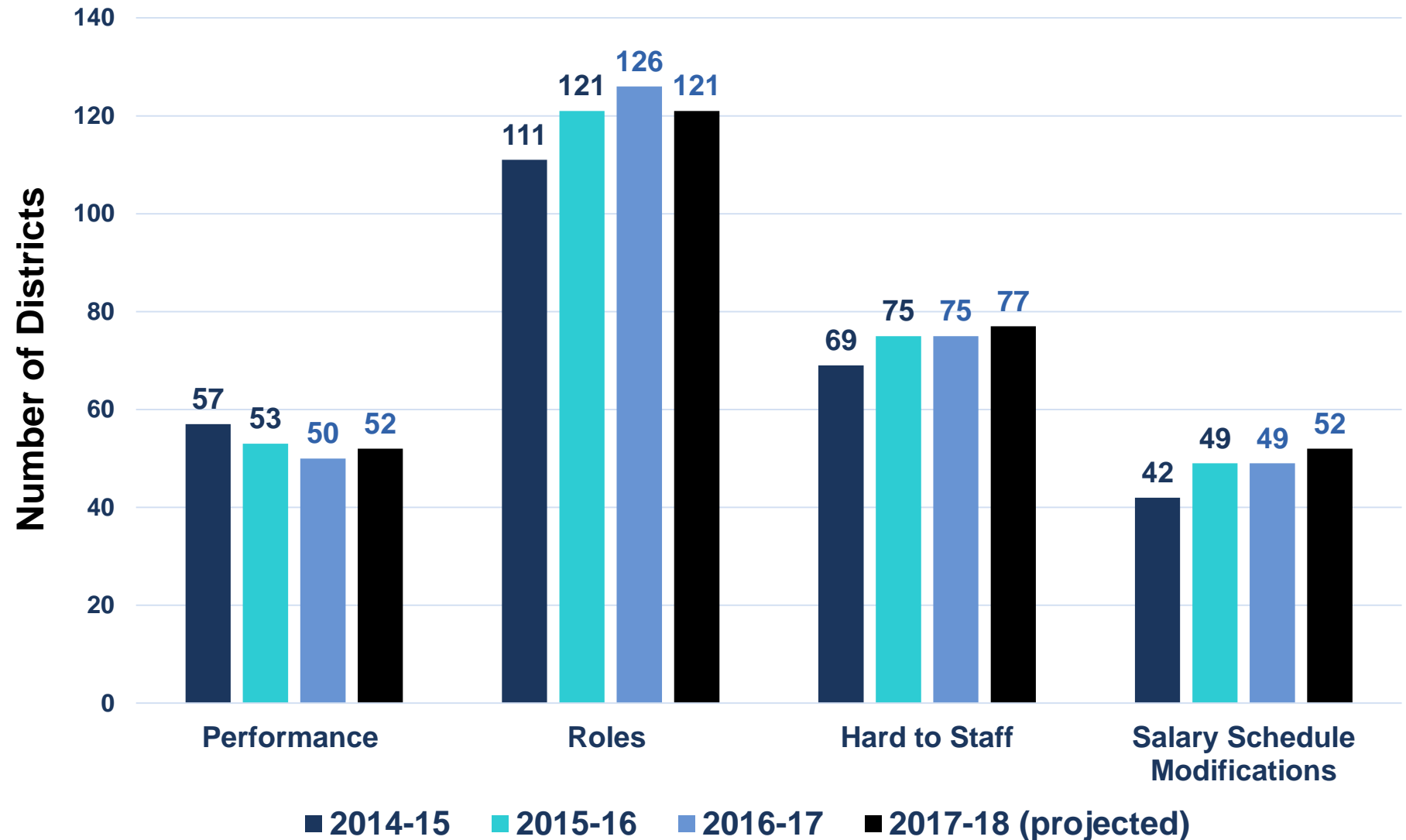
# Tiers of Implementation

Tier	Number of Differentiated Pay Criteria	Percentage of Teachers Impacted
0	Did not implement	0%
1	1	Less than 10%
2	1-2	~10-30%
3	1-3	~20-50%
4	2-4	Greater than 50%
5	Performance-Based Alternative Salary Schedule + 2 other	Over 90%

# District plans by Tier of Implementation



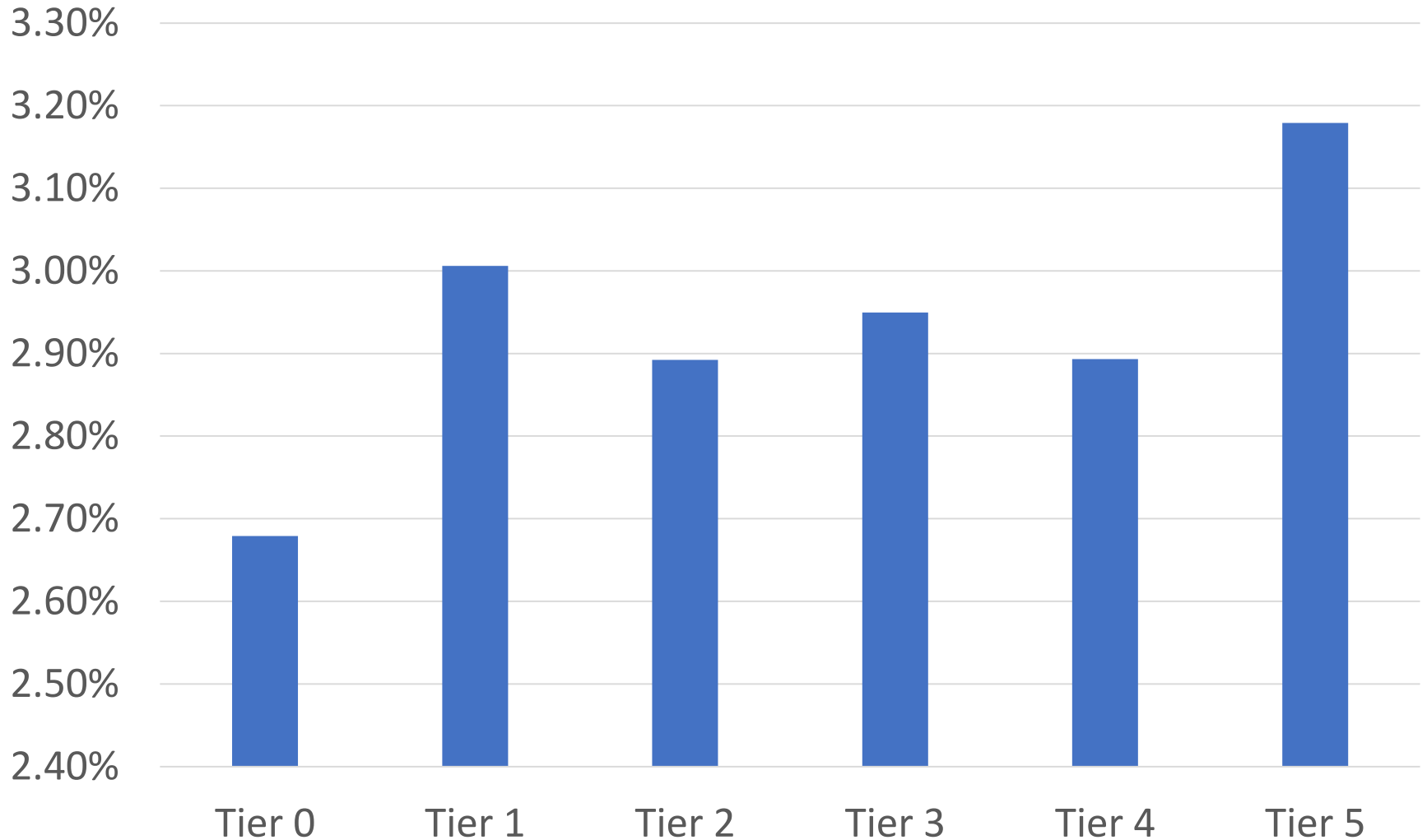
# Types of Differentiated Pay Plans





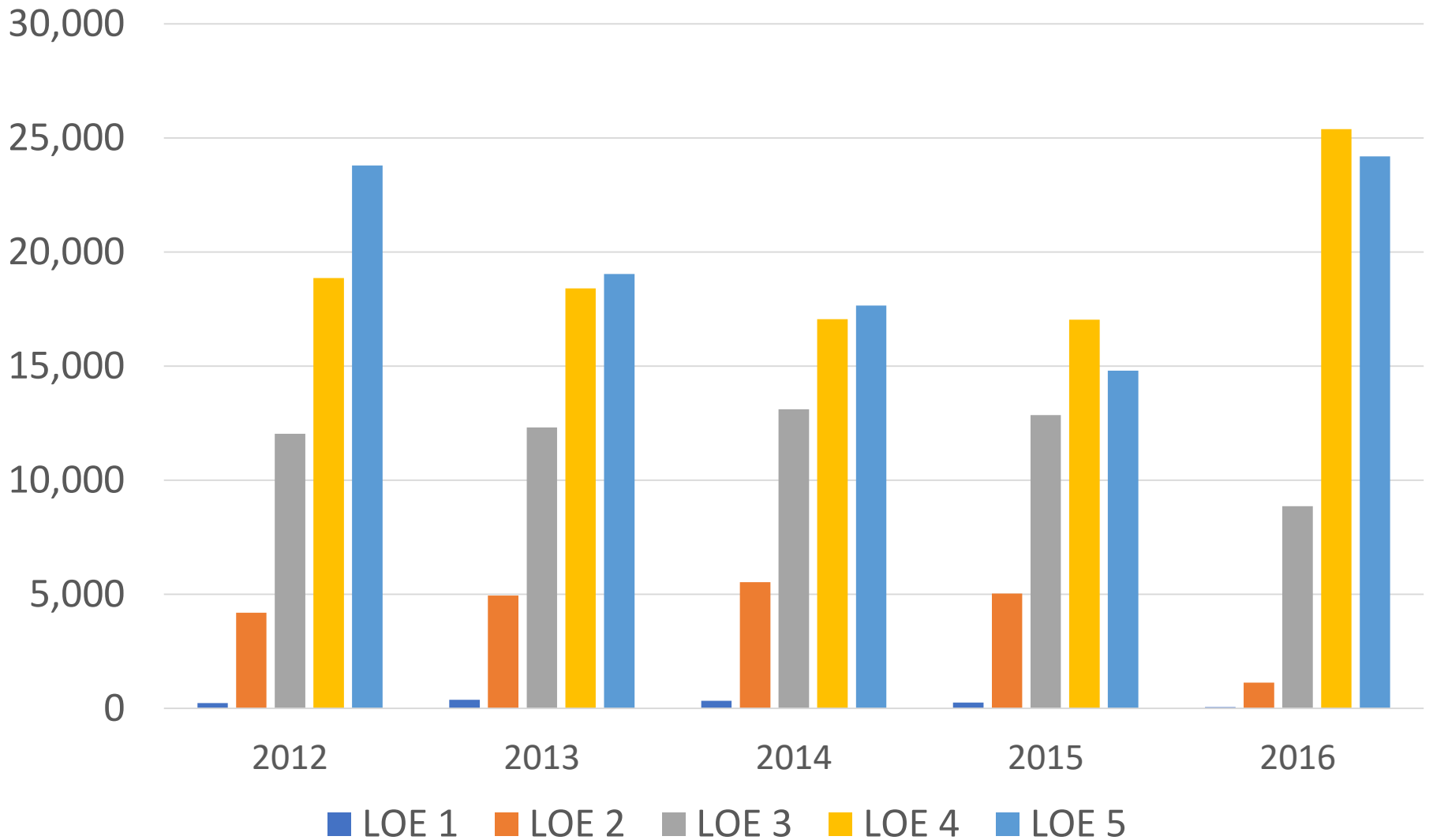
# Tier 5 districts had slightly higher average pay increases

Percent Salary Increases Tier



# Distribution of Levels of Overall Effectiveness from 2012 to 2016

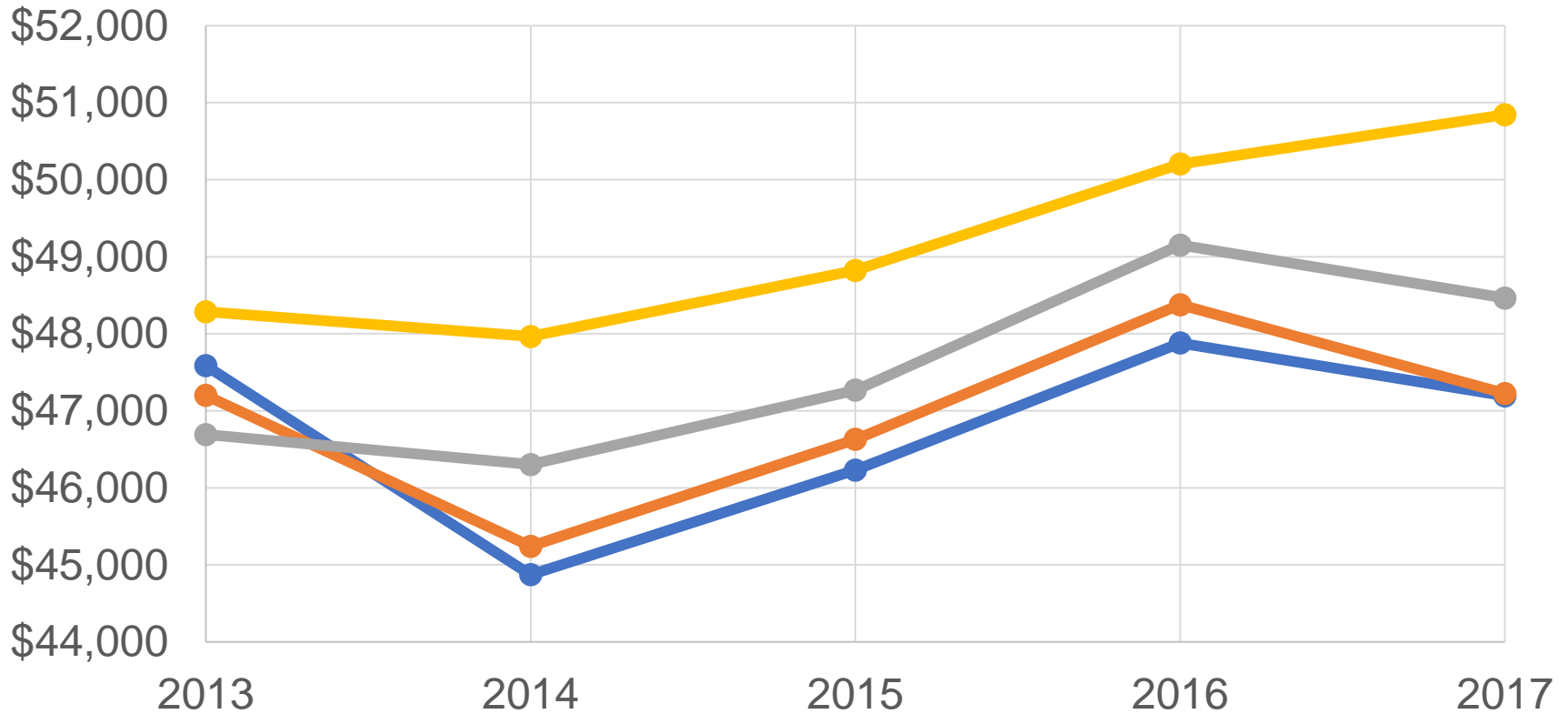
Number of Teachers by Level of Overall Effectiveness



# Highly Effective Teachers Are Seeing Some Pay Differentiation

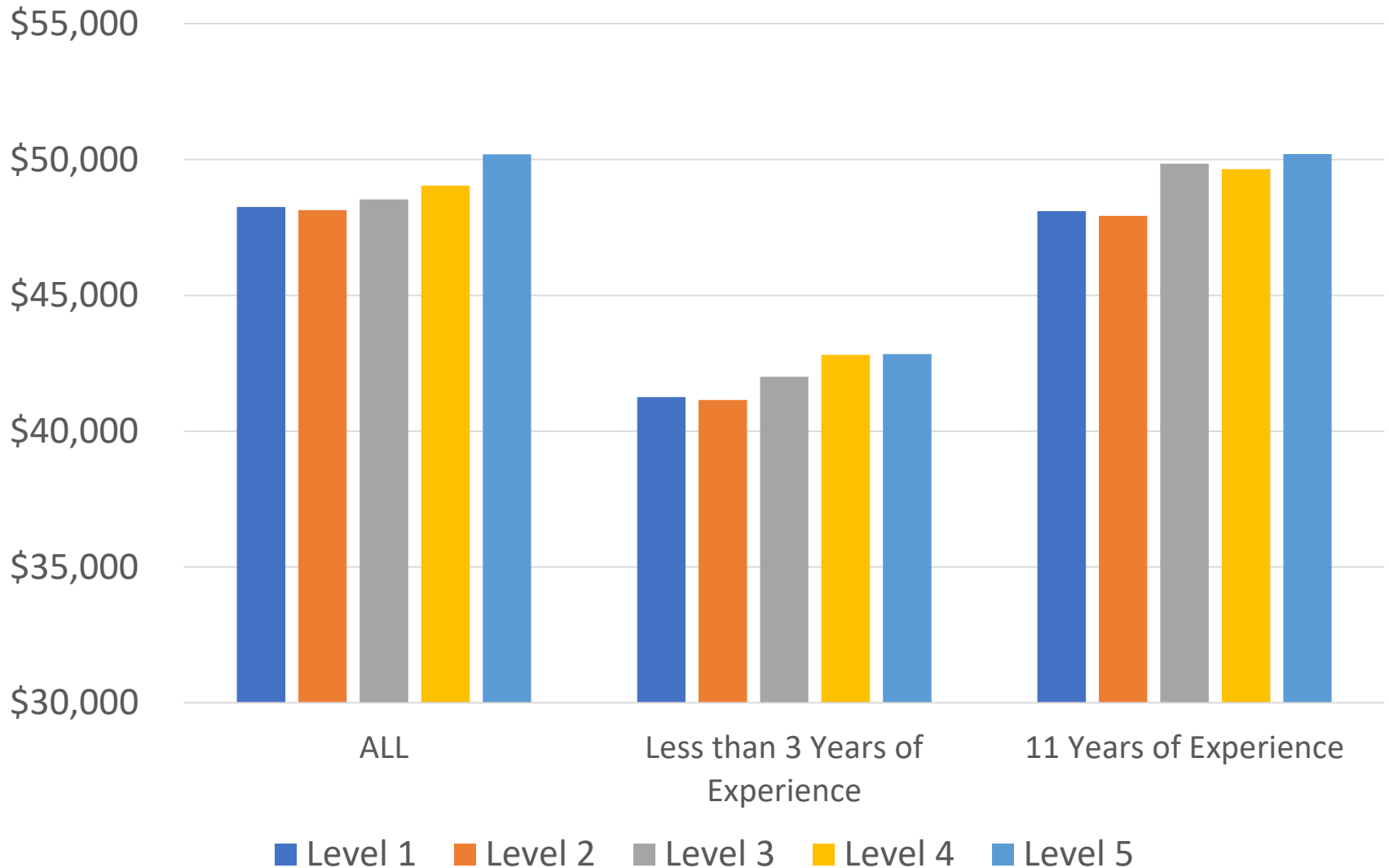
Median Salary by Prior Year Level of Effectiveness

LOE 1 & 2   LOE 3   LOE 4   LOE 5



# Differentiation Differs by Experience Level

2016-17 Median Salaries by 2015-16 LOE



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**Takeaways**

# Takeaways

- Teachers largely support differentiated compensation.
- Teacher pay has increased, especially for
  - beginning teachers,
  - teachers in small & medium districts, and
  - highly effective teachers.
- Districts are slowly shifting toward differentiated pay.



*Districts and schools in Tennessee will exemplify excellence and equity such that all students are equipped with the knowledge and skills to successfully embark on their chosen path in life.*

**Excellence | Optimism | Judgment | Courage | Teamwork**