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**Differentiated Pay Plan Guidelines**

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**The Background:**

Pursuant to Tenn. Code Ann. § 49-3-306(h), each local education agency or LEA must develop, adopt, and implement a differentiated pay plan under guidelines established by the State Board of Education in staffing hard to staff subject areas and schools and in hiring and retaining highly qualified teachers. The Department of Education is charged with approving each district's plan prior to implementation or revision.

Prior to the 2007-08 school year, the State Board adopted guidelines for differentiated pay plans and LEAs submitted plans to the department. However, a review of the law, SBE guidelines, external documents and district policies suggests full implementation of the provisions of § 49-3-306(h) has not occurred at either the state or local level.

To ensure compliance with the directives of the General Assembly and State Board, the department proposes the enclosed minor modifications to the board's differentiated pay plan guidelines and seeks to begin full implementation of the differentiated pay plan requirements, providing technical assistance to districts over the course of the next year and allowing districts to engage key stakeholders in the development and communication of their plans.

**The Recommendation:**

The Department of Education recommends acceptance of this item on first reading. The SBE staff concurs with this recommendation.

## **Guidelines for Differentiated Pay Plans**

Tenn. Code Ann. § 49-3-306(h)

To fulfill the requirements of Public Chapter 376 (2007), Tenn. Code Ann. § 49-3-306(h), the State Board of Education has developed guidelines for the establishment of differentiated pay plans by local education agencies (LEAs). All LEAs should move through three stages in the decision making process before submitting such plans to the Tennessee Department of Education for approval.

- a) Adhere to a shared set of overarching principles (listed below)
- b) Determine specific needs
- c) Customize a local solution based on the identified areas(s) of need.

### Purpose:

To aid in staffing hard to staff subject areas and schools and in hiring and retaining highly qualified teachers.

### Principles:

The Department of Education shall apply the following principles in providing technical assistance to LEAs as well as in the review and approval of differentiated pay plans:

- Funding for differentiated pay plans should be budgeted and approved in advance by the local board of education;
- Funding for differentiated pay plans shall not come at the expense of a competitive base salary;
- High need schools and high need fields may receive priority, rewarding effective teachers who are willing to teach in high need schools;
- Any performance component shall not include numeric or percentage limits on the number of teachers who can receive an award;
- Any performance compensation component of a differentiated pay plan shall be based on effectiveness as recognized by Board-approved teacher and principal evaluation criteria;
- Any performance component shall be criterion-based so that everyone meeting a previously agreed-upon standard earns the additional compensation;
- An across-the-board pay increase based solely on years of experience or educational attainment or one that provides additional compensation for additional work shall not meet the requirements of the differentiated pay plan