
State Minimum Salary Schedule for Fiscal Year 2018-19

The Background:

The FY19 Budget includes approximately \$55 million in improvements for teacher salaries. This improvement represents an increase in the Basic Education Program (BEP) instructional salary component and results in a significant amount of additional resources for school districts. Because the BEP is a funding plan and not a spending plan, each district will utilize its salary component funding increase to meet its unique compensation needs. Districts are not required to provide across-the-board pay increases based solely on seniority or educational attainment but rather have the ability and flexibility to determine areas of need and adjust compensation structures accordingly.

Pursuant to T.C.A. § 49-3-306, the Commissioner of Education is required to annually present and submit to the State Board of Education for approval a state salary schedule for licensed personnel. The salary schedule must include a base salary for licensed personnel with a bachelor's degree and zero years of experience. Licensed personnel with more training and experience must receive higher salaries than the established base salary.

The current state minimum salary schedule includes a base salary of \$33,745. The proposed schedule for the 2018-19 school year increases the base salary to \$35,000.

One hundred percent of the \$55 million improvement for salaries must be spent on teacher compensation, which includes salary or insurance benefits. In addition, T.C.A. § 49-3-306(b)(4)(B) provides that any district below the statewide weighted average salary must utilize the funds strictly for salaries and not on benefits. The salary schedule and any adopted adjustments represent only the minimum salary that a district must pay to individual teachers. The overwhelming majority of school districts currently exceed the state minimums identified on the schedule and will continue to do so at the proposed increase.

In 2013, the State Board of Education revised the structure of the state minimum salary schedule to provide additional compensation flexibility to school districts while maintaining a commitment to salary improvements, especially for teachers at or near the state minimum. The proposed 2018-19 schedule addresses these two policy goals.

The Fiscal Analysis Impact:

T.C.A. § 49-1-212 requires that the Department prepare a fiscal analysis of any policy, rule or regulation proposed to the State Board of Education. An estimated total of 57 school districts will be required to make increases to at least one level of their local salary schedule resulting in a specific and earmarked salary expenses. For these districts, the increase in state funds through the BEP salary component provides the necessary funding to meet the required expense. Approximately 2,295 teachers will be affected by the

increase to the minimum salary schedule.

For all 147 of the state's school districts, the new funds earned through the BEP salary component must be utilized for teacher compensation, regardless of any earmarks required through the adjustments to the salary schedule.

The Recommendation:

The Department of Education recommends adoption of this item on final reading. The SBE staff concurs with this recommendation.