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**Strategic Compensation Policy 5.600**

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**The Background:**

In order to better support LEAs in the development and refinement of their human capital strategies, the Department of Education proposes the addition of a third criterion for the approval of each LEA's differentiated pay plan. The new criterion will require districts to submit vacancy data at the time of submission of their annual plan, using a template provided by the Department.

There have been no changes since first reading.

**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. This item has no financial impact on an LEA.

**Policy Justification:**

T.C.A. § 4-5-230 requires that justification for adopting an item as a policy instead of a rule be submitted to the chair of the Government Operations Committee. This item is proposed to be adopted as a policy because it defines or explains the meaning of a statute or rule and/or concerns only the internal management of state government that does not affect private rights or privileges.

**The Recommendation:**

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