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**State Minimum Salary Schedule for Fiscal Year 2020-2021**

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**The Background:**

The FY21 Budget includes approximately \$58.6 million in improvements for instructional salaries. This improvement represents an increase in the Basic Education Program (BEP) instructional salary component. 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 \$36,000. The proposed schedule for the 2020-21 school year maintains this same base salary level.

One hundred percent of the \$58.6 million improvement for salaries must be spent on educator 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 schedule.

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 2020-21 schedule continues to address these two policy goals in light of current circumstances.

**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.

Based on reported data, all districts in the state are currently meeting the required state minimum salary schedule and would continue to do so into next year given no adjustments are being proposed. As a result, there is no additional fiscal impact of the proposed salary schedule remaining consistent from 2019-20 to 2020-21.

For all 147 of the state's school districts, the new funds earned through the BEP salary component must be utilized for educator compensation.

**The Recommendation:**

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