
State Minimum Salary Schedule for Fiscal Year 2021-22

The Background:

The FY22 Budget includes approximately \$120 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 2021-22 school year increases the base salary to \$38,000.

One hundred percent of the \$120 million improvement for salaries must be spent on educator compensation, which includes salary or insurance benefits. However, 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.

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 district reported data, an estimated total of 74 school districts will be required to increase at least one level of their local salary schedule in order to comply with the new state minimum salary schedule. For 72 of these districts, the increase in state funds through the BEP salary component increase is projected to provide the funding to meet the required expense based on district-reported data. For the remaining 2 districts, the total increase to BEP funding is projected to provide funds to meet the new state minimum salary requirements. Approximately 5,168 educators will be impacted 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 educator compensation.

The proposal to increase the minimum salary to \$38,000 represents an increase over the current minimum salary of 5.6 percent. This exceeds the 4 percent increase to the BEP instructional salary component and is therefore in compliance with SB1338/HB0865 passed during the 2021 legislative session.

The Recommendation:

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