
State Minimum Salary Schedule for Fiscal Year 2023-24

The Background:

The FY24 Budget includes \$125,000,000 million in improvements for instructional salaries. This improvement is included in the base funding amount of the Tennessee Investment in Student Achievement (TISA) formula. Because TISA is a funding plan and not a spending plan, each district will utilize its additional instructional salary funds 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(a)(1), 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 \$40,000. In accordance with legislation (SB281/HB329) passed during the 2023 session of the General Assembly, the minimum salary for educators will increase to \$42,000 for the 2023-24 school year.

One hundred percent (100%) of the \$125,000,000 improvement for salaries must be spent on improving existing educators' salary. The salary schedule and any adopted adjustments represent only the minimum salary that a district must pay to individual teachers. The majority of school districts currently exceed the state minimums identified on the schedule and will continue to do so with 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 2023-24 schedule continues to address 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.

It is estimated that 84 districts will be required to increase at least one level of their local salary schedule to comply with the new state minimum salary schedule. For all these districts, their share of the

\$125,000,000 restricted for existing educator's salary under TISA provides the necessary funding to meet the required expense. Approximately 5,296 educators will be impacted by the increase to the minimum salary schedule.

The proposal to increase the minimum salary to \$42,000 represents a \$2,000 increase over the current minimum salary of \$40,000.

The Recommendation:

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