Update on Differentiated Pay

State Board of Education

Sylvia Flowers | Executive Director of Educator Talent | April 2016
Leveraging Differentiated Pay

• Where are we now?
  – Four years of educator evaluation data
  – Two years of differentiated pay plans
  – Current focus on equity and access
The key lever to drive district improvement is the quality of its people

Effective evaluation implementation allows districts to make “smarter” decisions about teacher recruitment, selection, evaluation, development, compensation, and retention.
Tennessee Succeeds Project Plan: Educator Support

**Strategy**: Support districts in creating greater differentiation of teacher roles, responsibilities, and salaries

**Major Action Steps:**
- Provide technical assistance to districts to support the creation of teacher-leader models/roles that align to instructional priorities
- **Increase the usage of flexible salary schedules and differentiated pay plans** across tiers to align to instructional priorities

**Targeted Outcomes:**
- Districts will provide differentiated compensation to educators based on the state board guiding principles.
- Districts will maintain or improve the number/percentage of Highly Effective teachers (Level 4 and 5) retained and decrease the number of Level 1 teachers retained.
Tennessee Succeeds Project Plan: All Means All

**Strategy:** Increase equity of access to highly effective teachers

**Major Action Steps:**
- Engage districts in understanding local equity gaps
- Report equity gaps publicly on online report card by 2016-17

**Targeted Outcomes:**
- Districts will reduce equity gaps in math and reading using human capital strategies.
- The state will generate equity gap information using TVAAS 4-8, 9-12/EOC on an annual basis for districts and for public reporting.
- Educators’ beliefs about the benefits of RTI and access will improve.
Differentiated Pay Policy

• Requires LEAs differentiate how they pay licensed personnel
• No presently employed teacher can earn less than they currently make; they can only make more
• Districts have flexibility under the law to develop and implement pay plans that meet their specific priorities, needs, and context:
  – Reward teachers who teach in high needs schools or high needs subject areas
  – Reward teachers for performance based on state board approved evaluation criteria
  – Additional compensation to teachers who take on additional instructional responsibilities (i.e. teacher mentors, instructional coaches)
  – Adopt alternative salary schedules
Annual Submission Process

- Districts submit differentiated pay plan and salary schedule by June 30th each year

- Educator Talent team reviews each plan and provides feedback and final approval within three weeks

- FY16 process includes a new section for districts to report on implementation of the district’s 2014-15 plan
For 2014-15, districts submitted plans containing various combinations of differentiated pay elements.
## 2014-15 Tiers of Implementation

<table>
<thead>
<tr>
<th>Tier</th>
<th>Number of Differentiated Pay Criteria</th>
<th>Percentage of Teachers Impacted</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>Did not implement</td>
<td>0%</td>
</tr>
<tr>
<td>1</td>
<td>1</td>
<td>Less than 10%</td>
</tr>
<tr>
<td>2</td>
<td>1-2</td>
<td>~5-40%</td>
</tr>
<tr>
<td>3</td>
<td>1-3</td>
<td>~25-75%</td>
</tr>
<tr>
<td>4</td>
<td>2-4</td>
<td>Greater than 50%</td>
</tr>
<tr>
<td>5</td>
<td>Performance-Based Alternative Salary Schedule + 2 other</td>
<td>Over 90%</td>
</tr>
</tbody>
</table>
## 2014-15 Analysis Using the Tier System

<table>
<thead>
<tr>
<th>Tier</th>
<th>Number of Differentiated Pay Criteria</th>
<th>Percentage of Teachers Impacted</th>
<th>Number of Districts</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>Did not implement</td>
<td>0%</td>
<td>8 districts</td>
</tr>
<tr>
<td>1</td>
<td>1</td>
<td>Less than 10%</td>
<td>49 districts</td>
</tr>
<tr>
<td>2</td>
<td>1-2</td>
<td>~5-40%</td>
<td>55 districts</td>
</tr>
<tr>
<td>3</td>
<td>1-3</td>
<td>~25-75%</td>
<td>21 districts</td>
</tr>
<tr>
<td>4</td>
<td>2-4</td>
<td>Greater than 50%</td>
<td>3 districts</td>
</tr>
<tr>
<td>5</td>
<td>Performance-Based Alternative Salary Schedule + 2 other</td>
<td>Over 90%</td>
<td>10 districts</td>
</tr>
</tbody>
</table>
Looking at 2015-16
For 2015-16, plans changed slightly and continue to have a variety of combinations of pay elements.
Comparing 2014-15 plans to 2015-16 plans using the tier analysis

<table>
<thead>
<tr>
<th>Tier</th>
<th>2014-15</th>
<th>2015-16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tier 0</td>
<td>8</td>
<td>0</td>
</tr>
<tr>
<td>Tier 1</td>
<td>49</td>
<td>53</td>
</tr>
<tr>
<td>Tier 2</td>
<td>55</td>
<td>56</td>
</tr>
<tr>
<td>Tier 3</td>
<td>21</td>
<td>23</td>
</tr>
<tr>
<td>Tier 4</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Tier 5</td>
<td>10</td>
<td>11</td>
</tr>
</tbody>
</table>
For 2015-16, plans changed slightly and continue to have a variety of combinations of pay elements.
In 2015-16, more than one-third of districts plan to implement a performance-based component

- 53 districts developed individual, school, or district performance awards
The structure of performance-based plans varied according to district needs and goals

- 12 districts are implementing performance-based alternative salary schedules
  - **Kingsport City**: Yearly base pay increases of $300-$900 based on level of overall effectiveness.

- 28 districts are implementing individual bonuses
  - **Giles County**: Eligible for bonuses of $300-$500
  - **Perry County**: $55,000 yearly bonus pool shares for eligible teachers

- 7 districts are implementing a combination of either individual, school and/or district bonuses
  - **Bradford SSD**: $400 bonus for level 5 school wide TVAAS and individual bonus from $400-$1000 for level of overall effectiveness
  - **Van Buren County**: Bonus if the district TVAAS composite is effective or higher
For 2015-16, plans changed slightly and continue to have a variety of combinations of pay elements.
Districts created a variety of new roles for teacher leaders

121 districts included compensation for additional roles and responsibilities in their plans

- **Instructional Coaches**
  - Lauderdale County: $2,000 stipend for instructional coach and $4,000 stipend for curriculum coordinator
  - Loudon County: $4,000 stipend for instructional coaches; level 5 coaches can receive additional $2,000 stipend

- **Mentors**
  - DeKalb County: Level 4 and 5 learning leaders assigned to support level 1 teachers

- **Lead Teachers**
  - Moore County: Level 3, 4, 5 teachers receive $1,050 stipend
For 2015-16, plans changed slightly and continue to have a variety of combinations of pay elements.
Over one half of districts included hard-to-staff incentives in their plans

75 districts offered hard-to-staff school or subject incentives

• School Incentives
  – **Hardeman County**: Stipend for high-performing teachers who transfer to transformation school
  – **Dickson County**: $3,000 stipend for teaching at New Direction Academy

• Subject Incentives
  – **Fentress County**: $1,000 signing and retention bonus for up to 3 years for teaching secondary math, chemistry, or foreign language
  – **Bledsoe County**: $3,000 signing and retention bonus for speech language pathologists
For 2015-16, plans changed slightly and continue to have a variety of combinations of pay elements.
Salary schedule adjustments are minimal

- State minimum salary schedule allows for districts to have increased flexibility in modifying their salary schedules to generate additional funds to invest in compensation.
  - Reduce number of advanced degree lanes
  - Consolidate experience steps

- Alternative salary schedules
  - Base pay increases determined by performance instead of years of experience
  - Education levels no longer automatically recognized
    - Require district approval and/or alignment to current duties
What about increases in salary?

• Over three-fourths of districts increased the district’s starting salary and added additional funds to their salary schedules.

• Percentages added to salary schedules varied across the state.

• Districts that did not increase their salary schedule indicated that new funds would be directed towards differentiated pay.
Challenges

• Few districts are taking advantage of increased salary schedule flexibility.

• Loss of extended contract funds results in districts transferring pay for additional work-related activities to differentiated pay.

• Hard to staff incentives are not typically leveraged as a strategic recruiting opportunity.

• Districts are creating bonuses that do not meet criteria.
  – Input measures such as attendance bonuses
  – Bonus awarded to school, not individual teachers
Moving forward into 2016-17

- Work with state board staff to revise and update differentiated pay plan policy language to provide additional clarity for districts.
  - Create board policy on differentiated pay
  - Clarify language around training and experience in state salary schedule to ensure that advanced degrees are aligned to educator duties
  - Establish approval process and renewal cycle for alternative salary schedules
  - Define additional roles and responsibilities to align with teacher leader standards
- Continue to work with districts in understanding human capital reports and utilizing the data to drive differentiated pay plan decisions.
Connecting Human Capital Data Reports to Differentiated Pay
Human Capital Data Reports Parts 1 and 2

• District reports shared with directors of schools in March 2016
  – Part 1 utilizes district’s 2014-15 evaluation data as imported into TNCompass and focused on evaluation distribution, growth, recruitment and retention.
  – Part 2 utilizes district’s 2014-15 student-teacher assignment data and 2013-14 TVAAS and student performance data to show supply and effective teaching gaps within and between schools.

• Reports provide data and guiding questions for the following areas:
  – Evaluation
  – Growth and Development
  – Hiring
  – Retention
  – Effective Teaching Gaps
Using human capital data for performance-based compensation plans or alternative salary schedules

Table 1 (Part 1) shows the distribution of effectiveness, which helps districts forecast the impact of performance-based pay.

<table>
<thead>
<tr>
<th>Table 1. Distribution of Scores (2014-15)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
<tr>
<td>------------------------------------------</td>
</tr>
<tr>
<td><strong>Level of Overall Effectiveness</strong></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td><strong>Observation Average</strong></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td><strong>TVAAS Growth Score: All Teachers</strong></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td><strong>TVAAS Growth Score: Teachers w/ Individual Growth</strong></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td><strong>Achievement Measure</strong></td>
</tr>
<tr>
<td></td>
</tr>
</tbody>
</table>
Using human capital data for performance-based compensation plans or alternative salary schedules

Table 6 (Part 1) provides information on persistently high-performing teachers, which can be used to design incentives for retaining top talent.

<table>
<thead>
<tr>
<th></th>
<th>Persistently Low Performing</th>
<th>Persistently High Performing</th>
<th>Total Teachers with 3 Individual Growth Scores</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>District</strong></td>
<td>8.3% (2)</td>
<td>29.1% (7)</td>
<td>24</td>
</tr>
<tr>
<td><strong>State</strong></td>
<td>11.7% (1,747)</td>
<td>35.5% (5,308)</td>
<td>14,942</td>
</tr>
</tbody>
</table>
Using human capital data to design career pathways to teacher leadership roles

Table 7 (Part 1) provides information on retention by level of overall effectiveness, which can be used to develop strategies to retain effective teachers through leadership opportunities.

<table>
<thead>
<tr>
<th>Level of Overall Effectiveness</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percent of Teachers Retained</td>
<td>78.6%</td>
<td>92.9%</td>
<td>85.8%</td>
<td>71.5%</td>
<td>71.5%</td>
</tr>
<tr>
<td>Percent of Teachers who Moved Districts</td>
<td>21.4%</td>
<td>7.1%</td>
<td>14.2%</td>
<td>28.5%</td>
<td>28.5%</td>
</tr>
<tr>
<td></td>
<td>(3)</td>
<td>(1)</td>
<td>(2)</td>
<td>(4)</td>
<td>(4)</td>
</tr>
</tbody>
</table>
Using human capital data to clearly define hard-to-staff areas

Tables 3 and 4 (Part 2) provide information on school-level effective teaching gaps, which can help districts prioritize stipends or incentives to recruit or retain effective teachers in certain schools or subject areas.

<table>
<thead>
<tr>
<th>School</th>
<th>EOC ELA ETG</th>
<th>EOC Math ETG</th>
</tr>
</thead>
<tbody>
<tr>
<td>School Name A</td>
<td>0.0%</td>
<td>11.1%</td>
</tr>
<tr>
<td>School Name C</td>
<td>N/A</td>
<td>46.7%</td>
</tr>
<tr>
<td>School Name D</td>
<td>2.4%</td>
<td>8.5%</td>
</tr>
<tr>
<td>School Name E</td>
<td>4.2%</td>
<td>57.9%</td>
</tr>
<tr>
<td>School Name G</td>
<td>3.2%</td>
<td>84.4%</td>
</tr>
<tr>
<td>School Name H</td>
<td>N/A</td>
<td>N/A</td>
</tr>
</tbody>
</table>

*Note.* Only schools that had at least 4 highly effective teachers, 10 below basic students, *and* 10 advanced students in 2013-14 are included in school calculations. “N/A” means that the school did not meet one or more of these criteria for the given subject. If a school is not listed it means that the school did not meet these criteria for either subject.
Moving forward into 2016-17

- Work with state board staff to revise and update differentiated pay plan policy language to provide additional clarity for districts.
  - Create board policy on differentiated pay
  - Clarify language around training and experience in state salary schedule to ensure that advanced degrees are aligned to educator duties
  - Establish approval process and renewal cycle for alternative salary schedules
  - Define additional roles and responsibilities to align with teacher leader standards

- Continue to work with districts in understanding human capital reports and utilizing the data to drive differentiated pay plan decisions.
Districts and schools in Tennessee will exemplify excellence and equity such that all students are equipped with the knowledge and skills to successfully embark on their chosen path in life.