



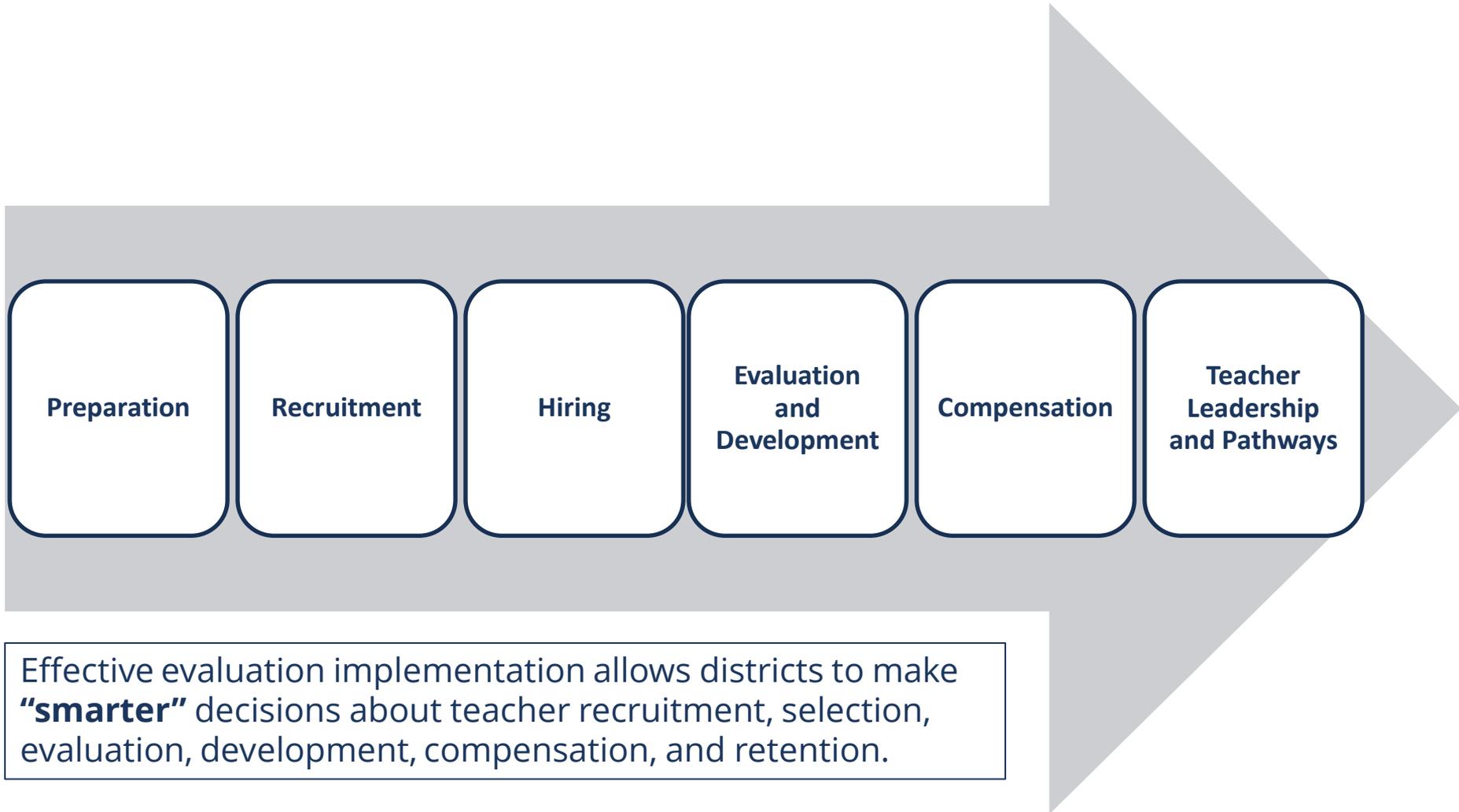
Leveraging Human Capital Data in Differentiated Pay Plan

Spring Fiscal Workshops

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



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:

- Develop and distribute updated Human Capital Report Cards to districts
- Engage districts in understanding local equity gaps
- Report equity gaps publicly on online report card by 2017

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

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Differentiated Pay Overview

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Differentiated Pay Policy

- T.C.A. 49-3-306 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

2015-16 State Minimum Salary Schedule

Base Salary = \$31,500	Year 0	Years 1-5	Years 6-10	Years 11-15
With Bachelor's Degree	Base = \$31,500	Base + \$570 = \$32,070	Base + \$3,190 = \$34,690	Base + \$6,585 = \$38,085
With Advanced Degree	Base + \$3,415 = \$34,915		Base + \$7,030 = \$38,530	Base + \$10,890 = \$42,390

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
- Template for FY17 requires three parts
 - Differentiated pay plan for 2016-17
 - Salary schedule for 2016-17 (Excel)
 - Implementation table for the district's 2015-16 plan

Differentiated Pay Plan Template for 2016-17

District Name					
2016-17 Differentiated Pay Plan					
Differentiated Element	Description	Compensation Type and Size	Reach	Estimated Cost	Estimated Salary Expenditures
	Describe how the district will differentiate for this element. Include the eligibility criteria for receiving the award (such as minimum attendance or evaluation score).	Will the compensation be given as a bonus or a base pay increase? How much will qualifying teachers receive?	Eligibility: How many teachers are eligible for this type of compensation? Forecasted participation: How many teachers do you estimate will receive the award?	How much does the district estimate it will pay out for this differentiated pay element?	What percentage of salary expenditures (excluding benefit costs) does this element cover?
Hard-to-Staff (School, Subject, or Placement)					
Performance					
Additional Instructional Roles or Responsibilities					
<i>Education*</i>					
<i>Experience*</i>					
Other					

**Education and experience are not differentiated pay elements and do not count toward the mandated criteria.*

Reporting on Implementation for 2015-16

Differentiated Elements	Actual Total Expenditures from 2015-16	# of Teachers who Received Payout	Total # of Teachers Eligible	Amount of Payouts for Teachers	Date of Payouts
Hard-to-Staff (School, Subject, or Placement)	\$			\$	
Performance	\$			\$	
Additional Instructional Roles or Responsibilities	\$			\$	
Education*	\$			\$	
Experience*	\$			\$	
Other (please describe)	\$			\$	
Total:	\$			\$	
Total number of certified teachers in your district					
If the district has a performance element, what year's evaluation data was utilized for the payout? (e.g. 2014-15)					

*Education and experience are not differentiated pay elements and do not count toward the mandated criteria.

If the district had to make changes to the plan, please outline what circumstances led to those decisions.



Tiers of Implementation



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2014-15 Tiers of Implementation

Tier	Number of Differentiated Pay Criteria	Percentage of Teachers Impacted
0	Did not implement	0%
1	1	Less than 10%
2	1-2	~5-40%
3	1-3	~25-75%
4	2-4	Greater than 50%
5	Performance-Based Alternative Salary Schedule + 2 other	Over 90%

2014-15 Analysis Using the Tier System

Tier	Number of Differentiated Pay Criteria	Percentage of Teachers Impacted	Number of Districts
0	Did not implement	0%	8 districts
1	1	Less than 10%	49 districts
2	1-2	~5-40%	55 districts
3	1-3	~25-75%	21 districts
4	2-4	Greater than 50%	3 districts
5	Performance-Based Alternative Salary Schedule + 2 other	Over 90%	10 districts

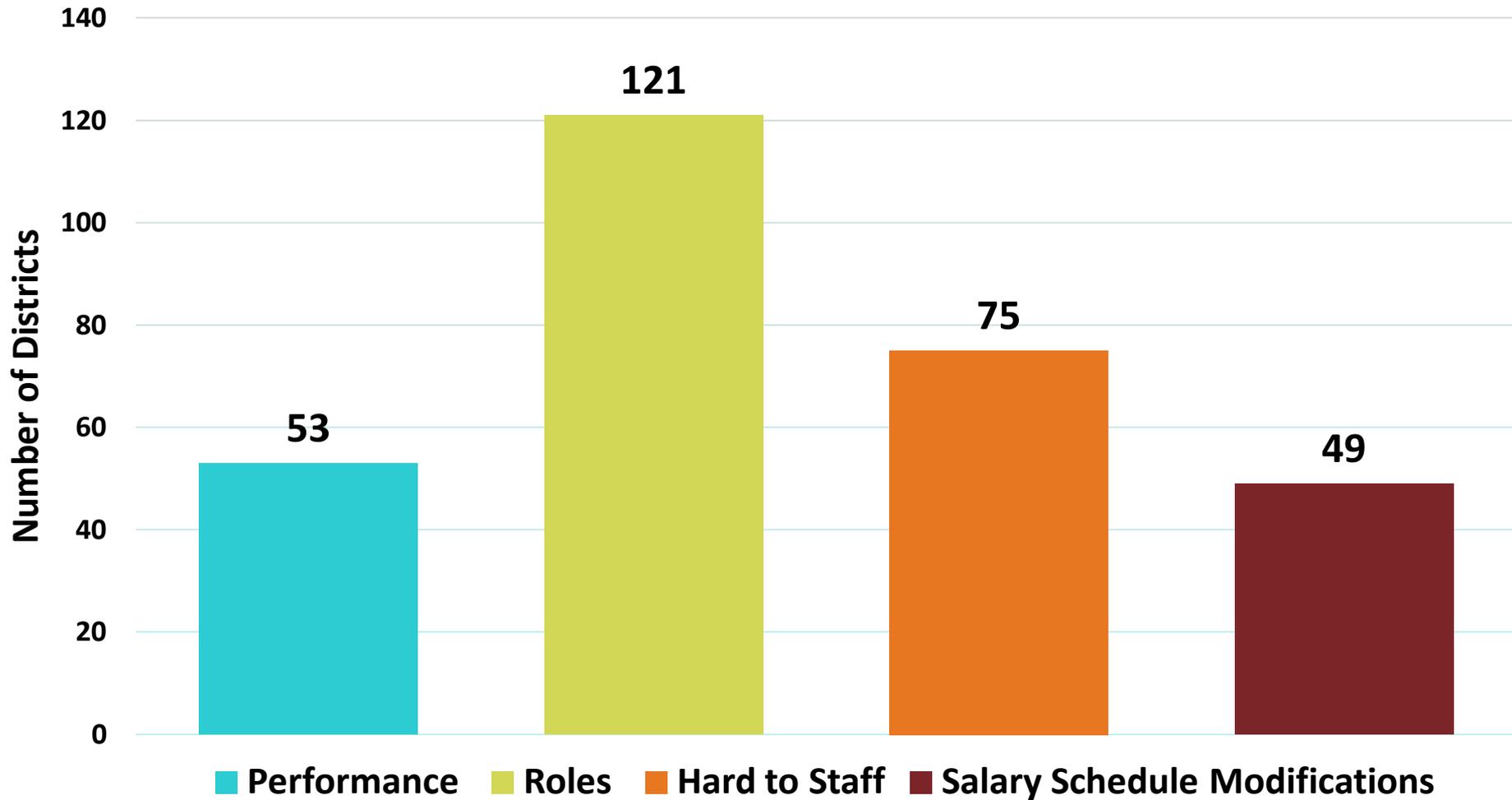
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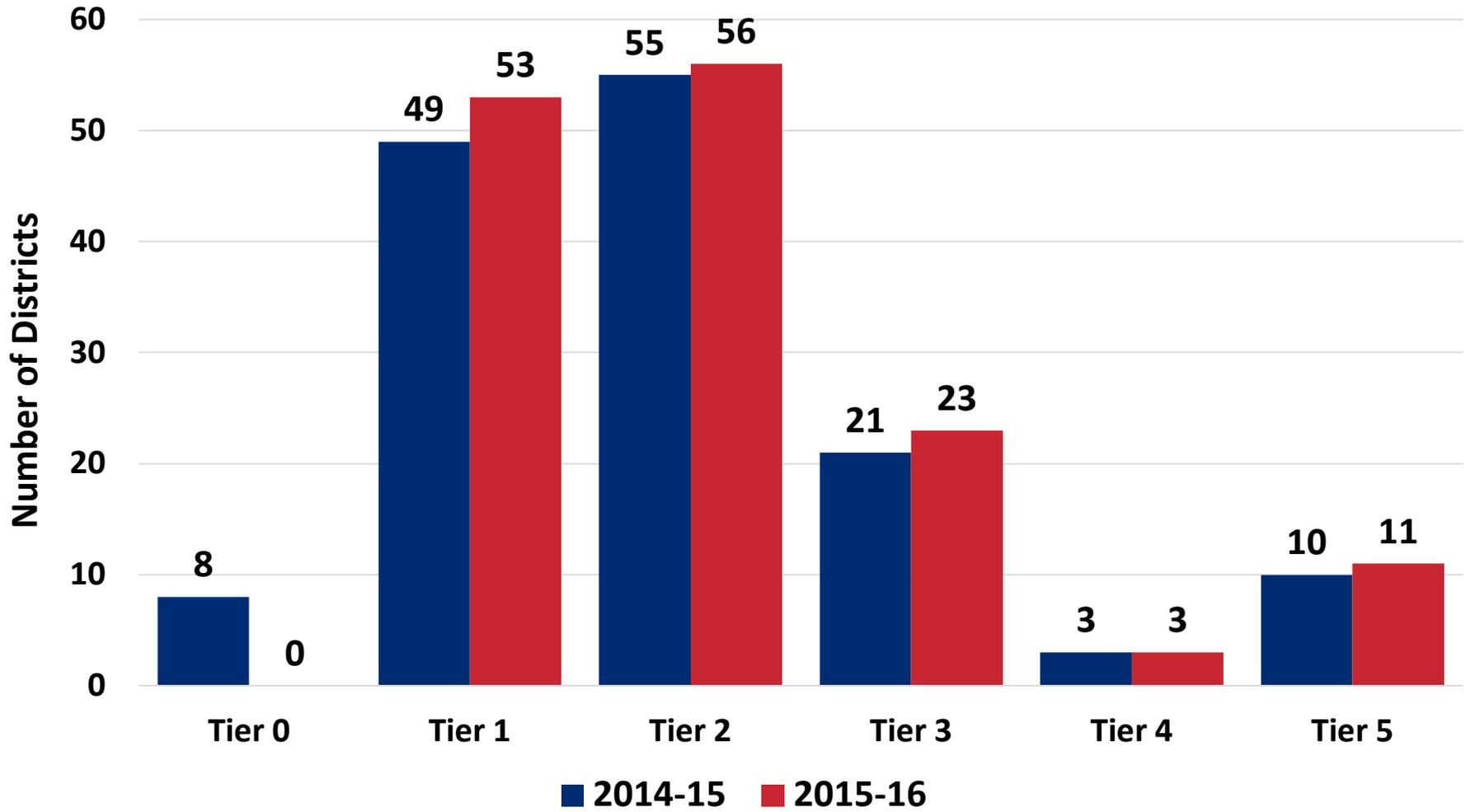
Looking at 2015-16

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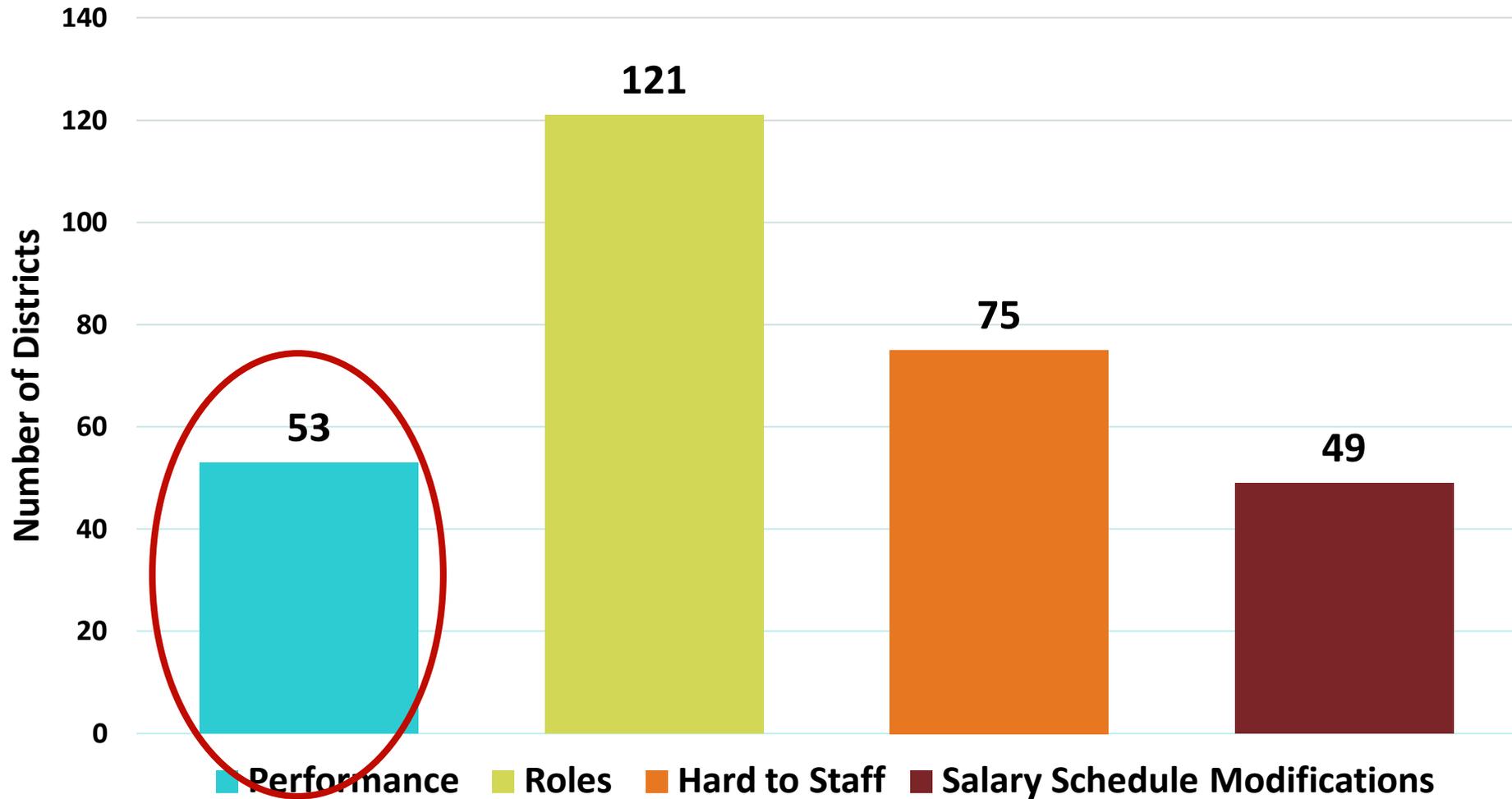
For 2015-16, plans changed slightly and continue to have a variety of combinations of pay elements



Comparing 2014-15 plans to 2015-16 plans using the tier analysis

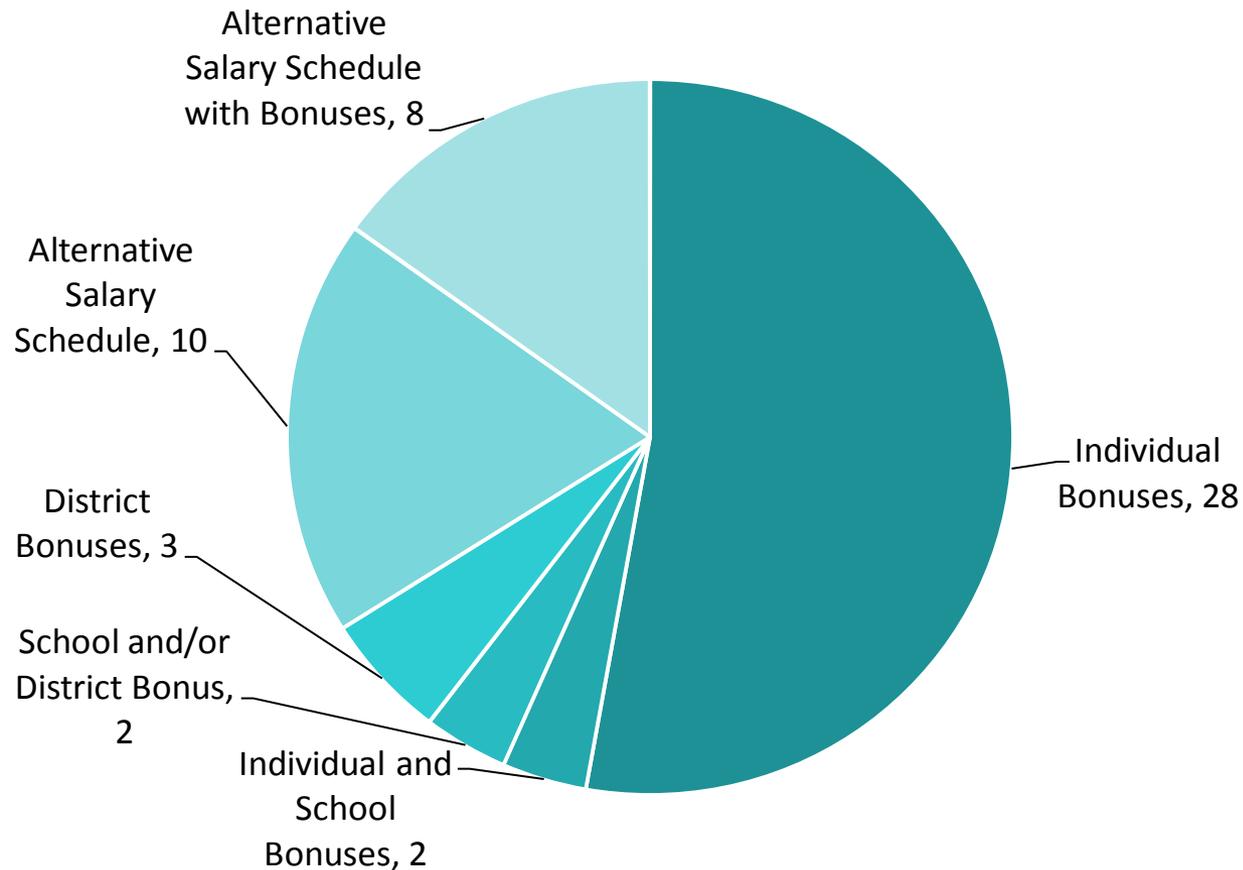


For 2015-16, plans changed slightly and continue to have a variety of combinations of pay elements



In 2015-16, more than one-third of districts plan to implement a performance-based component

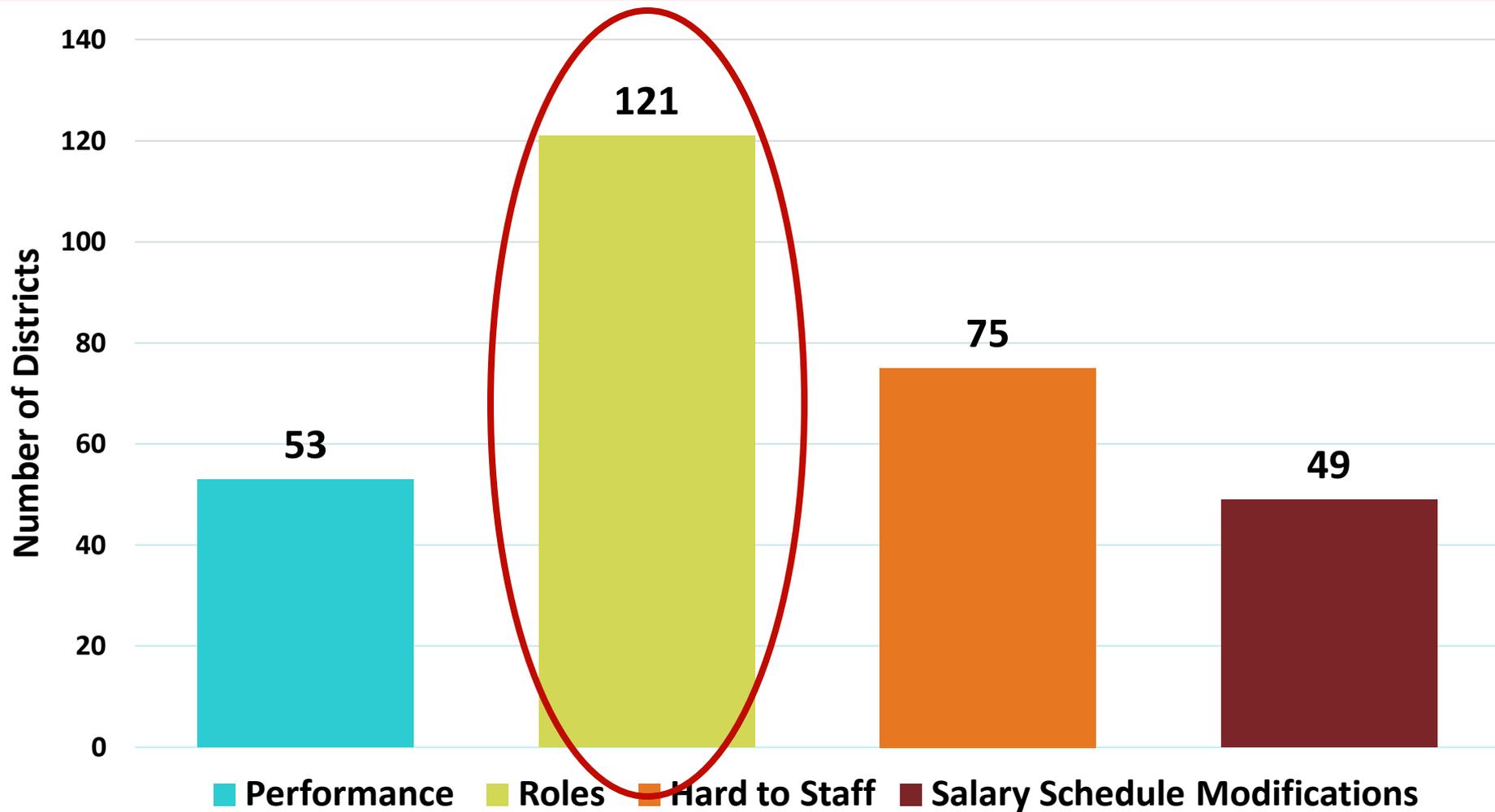
- 53 districts developed either individual, school, or district performance awards



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

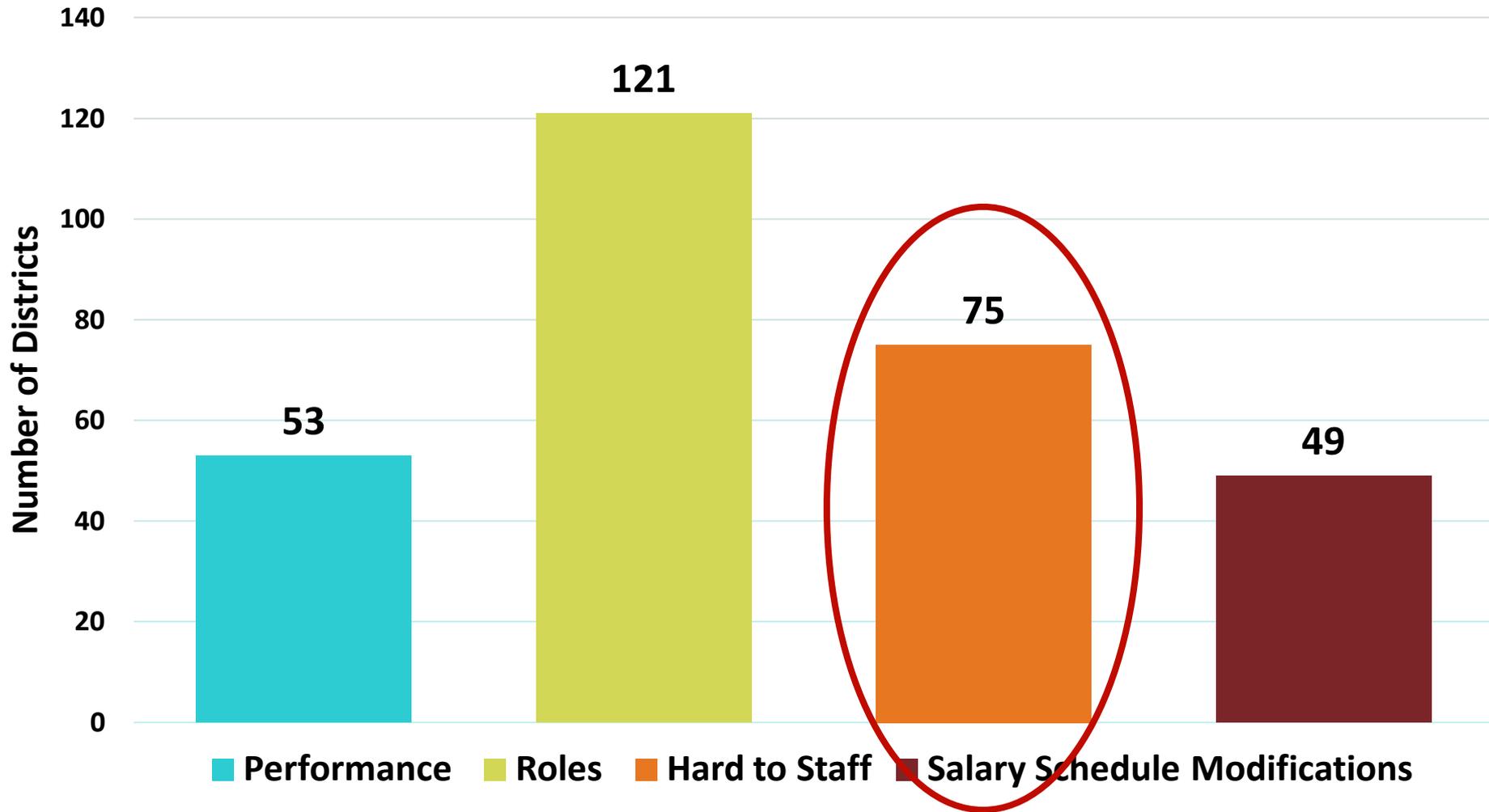
For 2015-16, plans changed slightly and continue to have a variety of combinations of pay elements



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

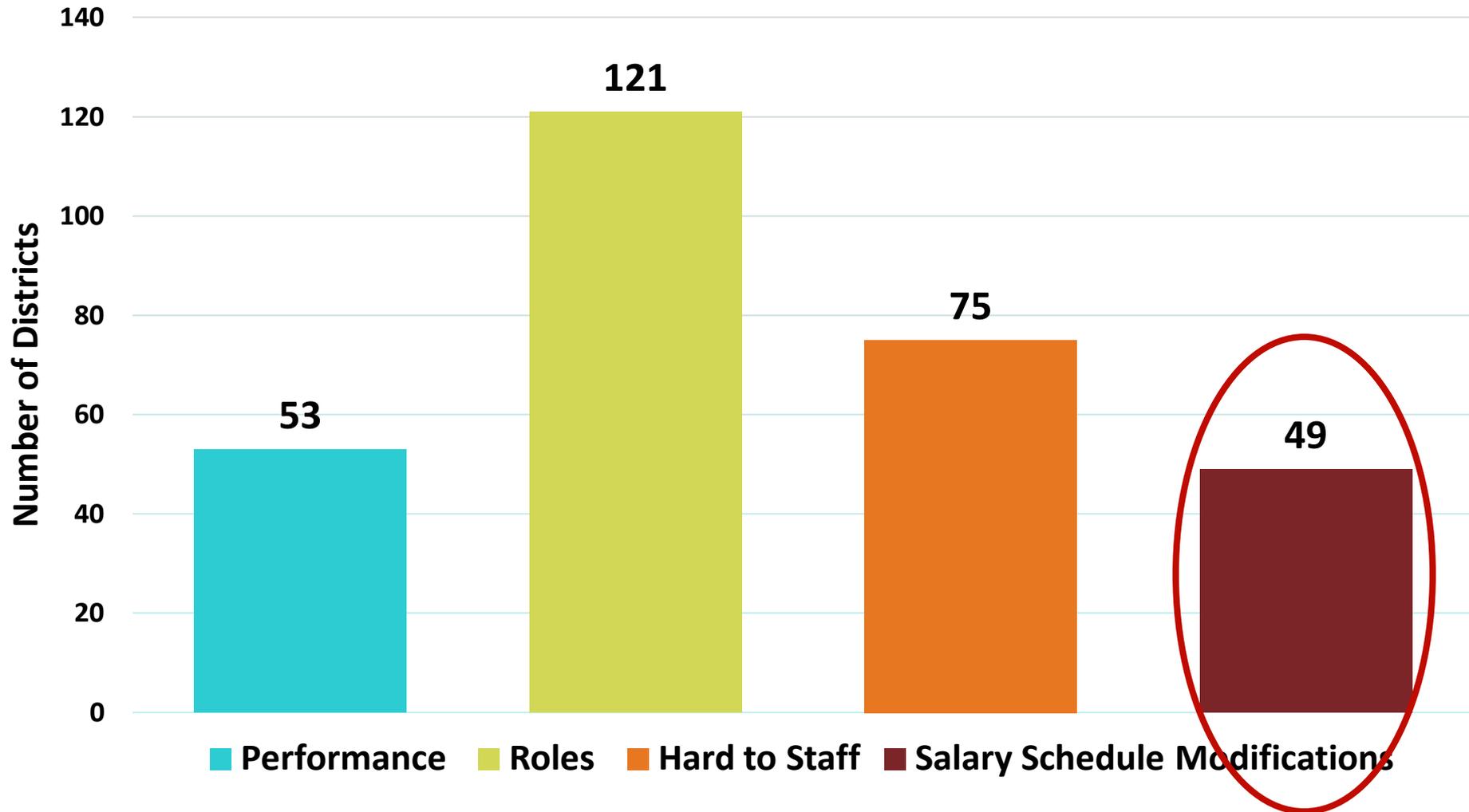
For 2015-16, plans changed slightly and continue to have a variety of combinations of pay elements



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

- 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 schedules?

- In 2015-16, over three-fourths of districts increased the district's starting salary and added additional funds to their salary schedule.
- 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.

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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.
- ePlan
 - District data reports loaded in the LEA Document Library in April 2016.
 - Needs Assessment will be updated to include a section on Effective Educators.

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 1. Distribution of Scores (2014-15)							
		Teachers with Data	Level				
			1	2	3	4	5
Level of Overall Effectiveness	District	600	6.0%	4.0%	35.0%	25.0%	30.0%
	State	62,717	0.7%	10.7%	26.4%	34.0%	28.2%
Observation Average	District	595	0.0%	1.0%	4.0%	75.0%	20.0%
	State	63,718	0.1%	2.4%	19.7%	43.1%	34.6%
TVAAS Growth Score: All Teachers	District	597	7.0%	4.0%	29.0%	25.0%	35.0%
	State	63,506	24.5%	9.2%	22.4%	9.8%	34.1%
TVAAS Growth Score: Teachers w/ Individual Growth	District	200	25.0%	0.0%	50.0%	0.0%	25.0%
	State	24,183	21.5%	10.3%	26.1%	11.6%	30.5%
Achievement Measure	District	597	0.0%	0.0%	0.0%	39.0%	61.0%
	State	62,691	11.2%	5.9%	19.3%	16.6%	47.0%

Why consider an alternative salary schedule?

- Research in TN and elsewhere has found little to no relationship between teacher effectiveness and advanced degrees/long-term experience levels
- Increase flexibility and create more opportunities for most effective teachers to earn raises and move down salary schedule more quickly
- Small modifications to salary schedules can yield long-term savings to reinvest in differentiated pay
- Opportunity to even out existing steps and education increases

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 6. Persistently High- and Low-Performing Teachers

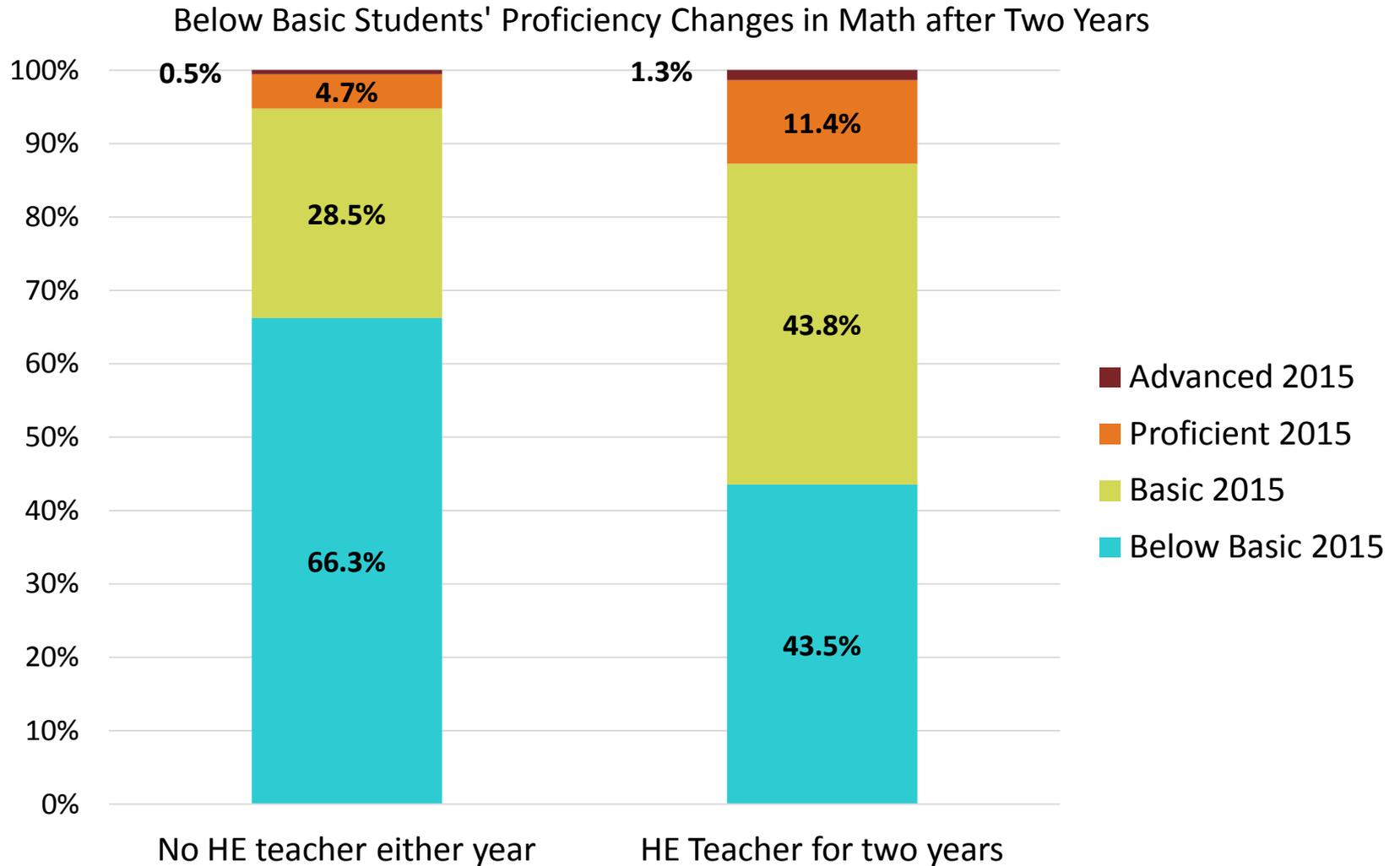
	Persistently Low Performing	Persistently High Performing	Total Teachers with 3 Individual Growth Scores
District	8.3% (2)	29.1% (7)	24
State	11.7% (1,747)	35.5% (5,308)	14,942

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.

	Level of Overall Effectiveness				
	1	2	3	4	5
Percent of Teachers Retained	78.6%	92.9%	85.8%	71.5%	71.5%
Percent of Teachers who Moved Districts	21.4% (3)	7.1% (1)	14.2% (2)	28.5% (4)	28.5% (4)

Part 2 Reports: Why examine equitable access?

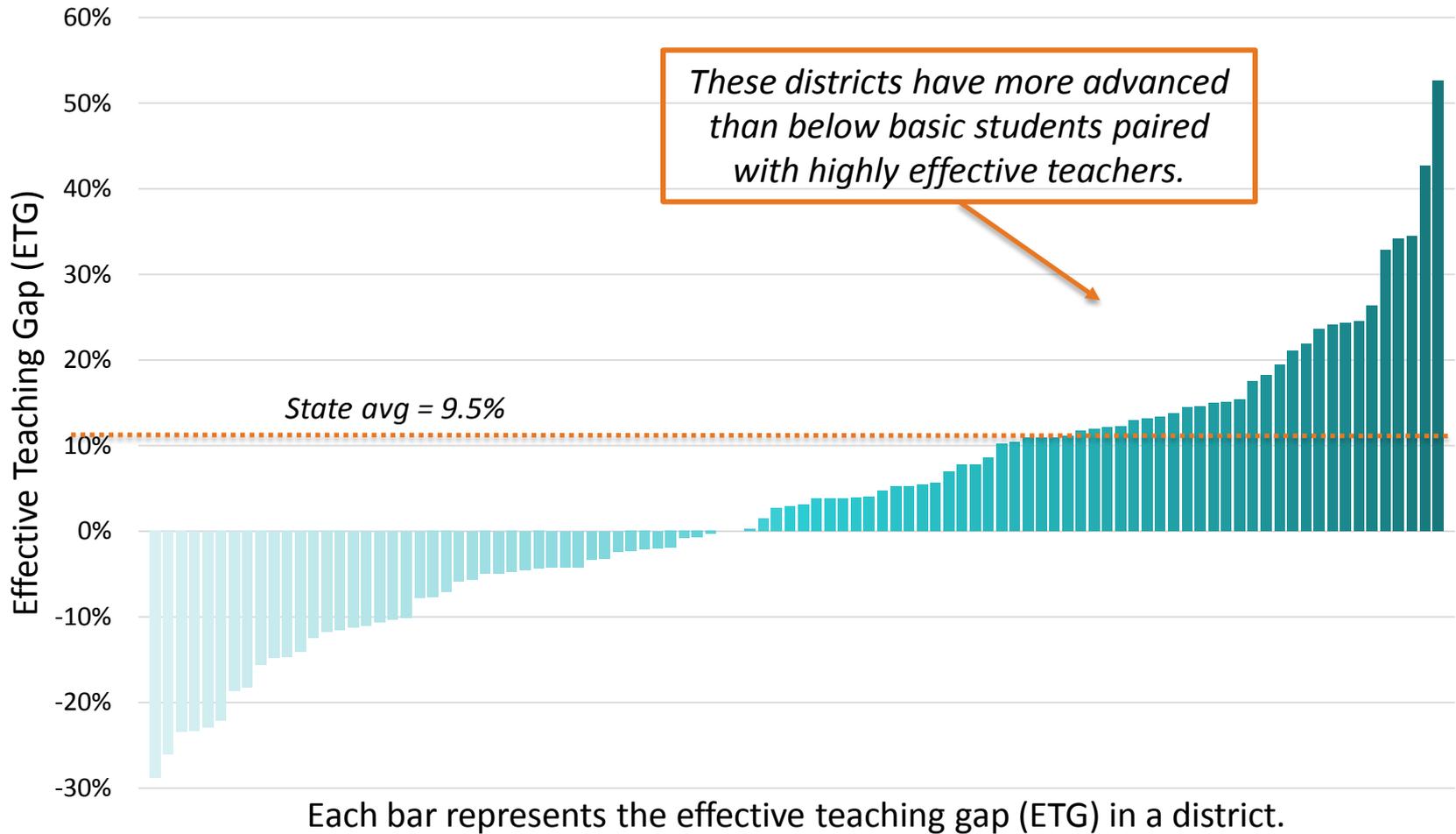


Key Terms in the Part 2 report

- Highly effective (HE) teachers: teachers who have individual growth TVAAS scores of level 4 or 5.
- Effective teaching gap (ETG):
 - Percentage advanced students with an HE teacher minus the % of below basic students with an HE teacher
 - A *positive* gap means that a greater percentage of advanced students had a HE teacher
 - A *negative* gap means that a greater percentage of below basic students had a HE teacher

In grades 4-8 math, the average gap was 9.5%, with district gaps ranging from -30% to 50%.

Figure 1b. 4-8 Math Effective Teaching Gaps in Tennessee Districts



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 3. School-Level Effective Teaching Gaps (ETGs) in Grades 4-8 ELA and Math

School	4-8 ELA ETG	4-8 Math ETG
School Name A	-5.8%	3.1%
School Name B	0.9%	-1.6%
School Name C	0%	1.3%
School Name D	1.0%	-10.4%
School Name E	2.8%	11.8%
School Name F	-16.3%	0.6%

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.

Looking forward

- All district plans and salary schedules (FY16 and FY15) are available on the website
 - <http://www.tn.gov/education/topic/differentiated-pay>
- Districts report on implementation in two ways – PIRS and annual submission
- Analyze human capital data reports and develop specific strategies to address compensation, recruitment, teacher leadership, etc.

Reminders on 2016-17 Submission Process

- Updated submission template available on the website, <http://tn.gov/education/topic/differentiated-pay>
- Completed template should contain three parts
 - Differentiated pay plan for 2016-17
 - Salary schedule for 2016-17 (Excel)
 - Implementation table for the district's 2015-16 plan
- All plans should be submitted by June 30, 2016 to Compensation.Questions@tn.gov

Resources

- Differentiated Pay website
 - <http://tn.gov/education/topic/differentiated-pay>
- ePlan
 - LEA Document Library
- TNCompass
 - <http://tdoe.tncompass.org>
- Educator Talent Team
 - Compensation.Questions@tn.gov
 - Sylvia Flowers, Executive Director, Sylvia.Flowers@tn.gov
 - Jaime Grimsley, Assistant Director, Jaime.Grimmsley@tn.gov



Questions?

Compensation.Questions@tn.gov



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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.

Excellence | Optimism | Judgment | Courage | Teamwork

Table 4. Change in Individual Growth Scores from 2013-14 to 2014-15

		Individual Growth Scores (2014-15)				
		1	2	3	4	5
Individual Growth Scores (2013-14)	1 (37 Teachers)	78.4% (29)	16.2% (6)	2.7% (1)	0.0% (0)	2.7% (1)
	2 (19 Teachers)	52.6% (10)	15.8% (3)	31.6% (6)	0.0% (0)	0.0% (0)
	3 (50 Teachers)	32.0% (16)	12.0% (6)	36.0% (18)	10.0% (5)	10.0% (5)
	4 (49 Teachers)	2.0% (1)	12.2% (6)	38.8% (19)	32.7% (16)	14.3% (7)
	5 (86 Teachers)	4.7% (4)	1.2% (1)	15.1% (13)	14.0% (12)	65.1% (56)