

# Obion County Schools Differentiated Pay Plan

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## **The Background:**

In June of 2013, the Tennessee State Board of Education adopted a policy that aids in the enforcement of T.C.A. § 49-3-306(h) which mandates school systems develop, adopt, and implement a differentiated pay plan. This revised differentiated pay plan policy prevents districts from basing across-the-board pay increases solely on years of experience or advanced degrees. Districts must now differentiate pay compensation on at least one additional criterion. Differentiated pay criteria can include any of the following: additional roles or responsibilities, hard to staff schools or subject areas, and performance based on State Board approved teacher evaluation criteria.

In the Obion County School System, a committee made up of three teachers, two central office personnel, and the former director of schools participated in an advanced planning cohort. This cohort met four times during the fall of 2013 to address options for aligning compensation with human capital strategies and needs. In addition, the committee met locally numerous times to share input from their peers and determine the best option for Obion County Schools.

## **The Recommendation:**

The committee considered all three criteria listed above and how each would affect the system. Factors taken into consideration were long-term costs, effect on teacher morale, staff retention and hiring, and the impact on student achievement. With the system being in a transitional period due to the director's mid-year resignation, the decision was made to develop a plan that would be budget neutral, would provide an incentive to improve classroom instruction, and could be easily modified or replaced once a new director was in place.

The committee eliminated two options after careful consideration. Currently, Obion County Schools does not have any hard to staff schools or positions, so a stipend for this criterion is pointless. The committee also examined the option to pay teachers for additional roles and responsibilities. The primary objection to this strategy was that with the limited financial resources available, only a small percentage of teachers would benefit from such a plan.

The option the committee determined would best meet all of the above goals is a bonus pay system based on teacher performance. Under this plan, all professional staff members will be eligible to receive the bonus.

Teachers with a TEAM score of 3 will be awarded 3 shares; teachers with a TEAM score of 4 will receive 4 shares; and teachers with a TEAM score of 5 will receive 5 shares. Teachers with a TEAM score of 1 or 2 will not receive a bonus. Building administrators will receive shares on the same level based on their overall state evaluation score. Supervisors with a professional license will receive a bonus as determined by the director, not to exceed the top teacher bonus.

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The bonuses will be funded from an account established this year with monies received from a BEP allotment for a 1.5% compensation package for professional staff. There will be approximately \$90,000 available each year unless additional funding is provided and applied to the pool. Based on the 2012-13 evaluation scores, each share would have a value of \$90. Therefore, the bonus for a teacher or administrator with a score of 3 would be \$270. A score of 4 would earn a bonus of \$360 and a score of 5 would earn \$450.

The distribution of teachers who would have received bonuses this year based on the proposed criteria are as follows: fifty-two teachers had a TEAM score of three, one hundred fifteen teachers had a TEAM score of four, and seventy-seven teachers had a TEAM score of five.

Bonuses will be paid out in November of each year based on TEAM scores from the previous year. To receive the bonus, the employee must be employed at the time of payout by Obion County Schools unless he/she meets one of the following two exceptions.

1. An individual who retires at the completion of the previous school year will receive the bonus earned (individuals who retire prior to the end of the school year will not receive the bonus).
2. An individual who passes away before the payout will have the bonus earned paid to his/her estate.

A minimum attendance requirement was considered by the committee, but was rejected after concerns about equity and fairness were brought up.

Finally, because of the structure of the plan, no additional monies are required to sustain the plan. Any additional monies provided by the state for teacher compensation in the future will be considered for addition to the monies currently available for this plan.