

## Compensation Working Group Meeting Notes

Task Force Members Present: Andrew Kim, Brian Kruk, Cody Knott, Cynthia Hopkins, Dave Lewis, Eric Hale, Jay Killgo, Judd Marshall, LaTonya Goffney, Narciso Garcia, Norma Castillo, Rosie Vega-Barrio, Sadie Atha

Staff Members Present: David Marx, Grace Wu, Matt Holzgrafe

Invited Panelists: Amanda Brownson, Karen Wilson, Amie Ortiz, Tasha Barker, John York, Stephanie Kieth, Patricia Detrich, Yvette Garcia, James Fernandez, Amanda Langston

### Introduction

Director of Strategic Compensation Grace Wu welcomed the Compensation Working Group Task Force members and shared the objectives, agenda for the meeting, and potential topics for future meetings.

Working Group Leads introduced themselves:

- Norma Castillo, Assistance Superintendent of Human Capital Systems, Austin ISD
- Dr. LaTonya Goffney, Superintendent, Aldine ISD
- Dave Lewis, Superintendent, Rochelle ISD
- Grace Wu, Director of Strategic Compensation
- David Marx, Director of Financial Compliance
- Matt Holzgrafe, Director of Teacher Compensation Strategy

### Defining Compensation and Relationship to Retention

Matt Holzgrafe, Director of Teacher Compensation Strategy, shared state-wide data around teacher retention and teacher pay. The data shows that over the years the following has occurred:

- The number of teachers has increased
- Teacher pay has increased, specifically, the number of teachers making \$80,000 or more has doubled
- Teacher retention has not increased

Mr. Holzgrafe introduced the two prongs in which the working group would be viewing compensation. The first is increasing compensation as a whole and the second is a focus on strategic compensation which targets compensation based on certain factors or district goals. An example of each can be found in House Bill 3 (HB 3) where there was increased state-level funding for salaries and the Teacher Incentive Allotment was established.

A task force member shared that some of their teachers expressed skepticism around the Teacher Incentive Allotment because it deviates from the norm. However, after talking to districts, they can see that it is taking hold and being used more frequently by districts. They shared that teachers are showing more frustration with the traditional pay scale and want to know how they can increase their pay.

A task force member shared that the focus seems to be on increasing new teacher salaries and there needs to also be a focus on veteran teacher compensation.

A task force member shared that they thought an impact on the base may be the most meaningful to keep up with the cost of living in addition to incentive programs.

A task force member shared that the Teacher Incentive Allotment has been a helpful recruitment tool to keep them competitive with urban areas.

A task force member shared their experience with their district's strategic compensation system and shared that 5 years ago they were making \$47,000 and now they make almost \$90,000 in addition to other incentives and stipends. They stated that they worked just as hard for \$47,000 as they do now and that the increase has been life-changing. They stated that with the Teacher Incentive Allotment, some funds are shared amongst their campus and they are proud to be able to provide for their campus. They also shared that teachers need to be treated and compensated as professionals.

Mr. Holzgrafe reviewed themes from the pre-work that stated:

- Compensation has been stagnant compared to the cost of living
- Compensation does not exist in isolation and includes benefits, healthcare, retirement, etc.
- Districts are thinking through how to leverage compensation to meet their goals.

Other task force members shared additional themes from the pre-work that included:

- Teacher pay is not keeping up with inflation. Districts set pay scales at the beginning of the year while inflation changes month to month.
- Health insurance costs have increased and the state contribution has remained the same.
- The Texas minimum salary schedule is difficult to recruit teachers even though most districts pay above the minimum salary schedule.
- Other benefits such as childcare can help retain teachers.
- Retention is also difficult for teachers because they are competing with other industries.
- Incentive systems such as TIA need to be available to all teachers.
- Differentiating base pay for hard-to-staff areas was an interesting idea.

### **Overview of Compensation Legal Framework and Types (TASBO)**

Amanda Brownson, Associate Executive Director of Policy & Research at TASBO, presented an overview of compensation including the legal framework, types, and Teacher Retirement Consideration.

For the legal framework, the primary drivers of compensation are both state law and local context such as inflation and competition between districts. TASBO shared that the minimum Salary Schedule is included TEC 21.402, which is indexed to the basic allotment. In the past, it played more of a role and districts would reference the minimum salary schedule, recently districts have moved away from this. The recent HB 3 was a more significant move away from the minimum salary scale.

Moving forward, districts are required to use at least 30 percent of the gain in the basic allotment on compensation, which can include insurance for employees (TEC 48.051). Karen Wilson, Policy & Research Associate at TASBO, shared how a district finance office may choose to meet this statute based on her experience as a CFO at Spring Branch ISD. While the language allows them the flexibility to strategically target areas for maximum potential impact. There are challenges such as estimating vacancies and departures.

Additionally, Ms. Brownson shared information about TIA, including allotment amount, and characteristics of campus. Teachers carry those designations as they move to a new district.

With types of compensation, TASBO shared context around types of compensation: base pay, stipends, retention, and hiring bonuses. Stipends can be for hard-to-fill areas. In their work with districts, TASBO has seen increased interest in retention and hiring bonuses. It allows for some differentiation in the type of classroom setting. Districts have used stipends for teachers going to campuses with the highest needs.

Task force members shared questions about whether retention stipends are eligible for TRS. TASBO recommends being clear in compensation planning and working with TRS representative to ensure that any planned stipends are eligible for Teacher Retirement System (TRS). Additionally, TIA funds are automatically eligible for TRS and many districts are including that in their TIA spend plan. If a district wants to reach out with questions to TRS, each district is assigned a TRS representative who likely connects with their human resources or payroll department.

### **District Panel**

After lunch, Ms. Wu welcomed panelists for the district panel and teacher panel from four districts: Austin ISD, Diboll ISD, Longview ISD, and Slaton ISD. She highlighted that the Longview ISD LIFT program and Austin ISD PPft program were included in pre-work.

- Tasha Barker, Assistant Superintendent of Curriculum and Instruction at Diboll ISD, shared high level parts of their program, which includes salary raises, retention bonuses, signing bonuses for specified areas, early retirement notification bonus, decreasing contract days with one week off, increased health insurance investment.
- Stephanie Kieth, Director of Curriculum and Instruction at Slaton ISD, shared that their goal is to compete with their nearby districts. They focus on salary increases, retention bonuses for targeted areas that increase annually for three years, increased health insurance investment, provided low-cost childcare, and aligned compensation with teacher effectiveness outcomes.
- Additionally, Amie Ortiz, Director of Employee Effectiveness at Austin ISD, and John York, Chief Human Resources Officer, introduced themselves.

### **Panel #1 District Systems**

*Question: Why did you make these changes? How did you land on these strategies? How specifically did you consider your hard to staff positions such as Bilingual and Special Education?*

Ms. Ortiz shared that Austin ISD has chosen to do a human capital system that included performance incentive and professional learning back in 2016, but build in a permanent base pay. We also have enhanced compensations which are where there are students who may need the most support. This helps us with recruitment to our high needs campuses.

Mr. York shared that Longview ISD implemented an incentive program in 2012 connected to value-added. We pay bonus for our highest performing teachers. We currently pay by student for teacher. We have seen that results, it has helped us attract talented teachers. We have three different models: student growth. Everyone is included in the process. We also staff hard to fill positions, we do that through signing bonuses.

Ms. Barker, Diboll ISD, shared that they were limited on the funds and really looked at ESSER and what they could utilize. Diboll is also thinking about leveraging different sources. It is a continuous conversation.

Ms. Kieth, Slaton ISD, this was about what we were seeing how to retain. We also do a retention bonus that is how. We are also looking at an attendance bonus.

*How did your district collaborate to ensure the increases were sustainable and impactful? What impact have you seen as it pertains to teacher retention?*

Panelists shared that sustainability has been a key question and is considered on an annual basis. Austin ISD shared that they worked really hard to ensure it was set up in a sustainable way. We did do a multi-year scale up of about a 1000 teachers a year. We were able to roll in all teachers by the 2020-21 school year. Longview shared that the commitment of the board was critical. Diboll shared that communication to teachers was a question. Several districts also highlighted the role of the Teacher Incentive Allotment, but note that it is still early in the process.

Panelists also shared the impact and recognized that there was issues during the pandemic and recent changes. Also the reality of inflation, such as fuel costs.

### **Open Discussion**

Task Force members shared interest in the child care costs. Slaton ISD shared that it was a \$125 a month for staff that want to participate. Task Force members shared that they appreciated how each district created a system that met their local needs and was the best fit for their staff.

Task force members highlighted their appreciation for Diboll ISD's plan to offer week breaks which allows for mental relaxation while increasing the daily pay rate. They raised questions about how parents will handle the childcare needs during that week. Diboll ISD shared that they have not had much push back from parents, but communication has been key. They also noted that a lot of the changes are achieved by shifts, but are decreasing the day amount by four days. Task force member also shared how they may consider a four-day week. Dave Lewis, Rochelle ISD, shared that his district has implemented a four-day week for two years. He also emphasized communication was key and planning.

## Panel #2: Teacher Perspective

Dr. LaTonya Goffney, Superintendent of Aldine ISD, introduced the teacher panel and share appreciate for the broad array of types of districts joining this panel. Teacher panelist include:

- Patricia Detrich, Austin ISD
- Yvette Garcia, Diboll ISD
- James Fernandez, Longview ISD
- Amanda Langstron, Slaton ISD

*How did you perceive the compensation increases made by your district?*

Panelists shared that many of the items that were rolled out were exciting and interested. Austin ISD panelist shared that it has been really rewarded. Diboll ISD shared that the salary increases and changes in calendar day were really rewarding. Longview ISD shared that he had planned to shift into administration, but that was not where he wanted to be, this new program allowed him to stay in the classroom. Slaton ISD shared how much the childcare model has helped her because it's saved about \$6,000 a year for her family. The possibility of earning a TIA designation keeps her in the classroom.

*What is the role of compensation compared to other factors in your decision to remain as a teacher?*

The majority of panelists shared that reason they are currently a teacher is because of these changes to compensation system. They noted that compensation was not the only thing and the atmosphere of the school was also very key as well as professional development.

### *Open Discussion*

Task Force members asked how districts worked to overcome concern by teachers. Panelists shared that there has to be a lot of education around the system. We do a training every year about it.

Task Force members asked if these systems led to additional paperwork or time for teachers. Longview ISD shared that there was not extra paperwork, but there was more time to put to data-driven processes. Task force members asked if it was possible to be a coach and also be successful. Longview ISD shared that is was possible and they have seen people successful, but it takes a commitment to teaching.

Task Force members also shared how powerful these type of programs were to empower teachers to stay in classroom and ensure that they do not become an administrator if that is not their preferred pathway.

Task Force members shared questions around the perception of parents related to these distinctions. In Austin ISD, this has not been seen often. There is more a push from parents to reward or designate as many folks as possible.

Task Force member shared question around how these system handle teachers who need support. At Longview ISD, they shared that they have a clear system for development by content area. They also highlighted an opportunity to watch excellent teaching, which can be part of these type of differentiated compensation systems.

### **Discussion**

In reflection, Task Force members shared the following general reflections: performance -based compensation stood out as something that can work, innovation in compensation as particularly interesting (childcare). They did also raise an important consideration about scalability and the difference between short-term strategies (stipends and bonuses) and long term investment (increases to base salary).

In reflection on resources and policy challenges, Task force members shared concerns about how recapture would work with this type of state-wide investment, a need for TIA examples, more leadership pathways that ensure teachers can stay in the classroom. Some identified challenges include the amount of state mandates that lack clear funding. There was also an emphasis on the importance of teacher perception. It also goes beyond compensation and the overall recognition of teachers and those who work in schools. Task force members recognized that there are limits about what TEA can do and other actions may take action from the Texas legislature.

Task Force members participated in a larger discussion around how to ensure teachers are equipped with the tools by observing greater teachers. This could be incentivized through great teachers serving as mentor roles.

Task Force members also raised a long-term challenge around sustainability of funding for compensation, especially from the district administrator perspective. There is a balance between innovation and sustainability. There needs to be an important conversation around long-term planning. TEA could come in and support districts without risking their financial strength. The state-level grants are important but are difficult to implement.