

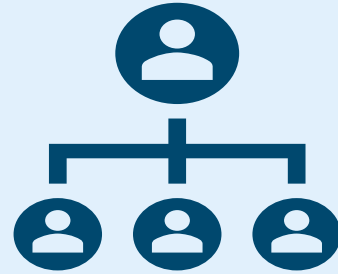
The background of the slide is an aerial photograph of Austin, Texas. The top half shows the city skyline with several tall skyscrapers under a blue sky with light clouds. The bottom half shows a waterfront area with a river, green trees, and a marina with several boats. A white rectangular box is overlaid in the center, containing the title and date.

Compensation Working Group

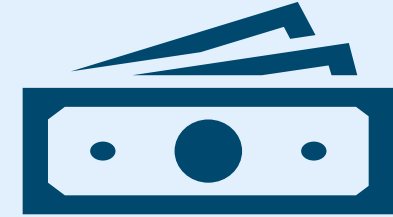
June 2, 2022



**Improving Educator
Preparation**



**Strategic Staffing
Models**



**Compensation
Models**



Understanding the Teacher Experience

Working Group Session Objectives

- Share background context for compensation and their role in teacher vacancies and retention.
- Understand the Texas legal framework behind compensation and the different type.
- Learn about benefits and challenges related to district innovations in compensation.
- Discuss preliminary benefits, resource needs, and policy obstacles related to compensation for retention.

Working Group Leads

Norma Castillo
Assistant
Superintendent of
Human Capital Systems,
Austin ISD

Dr. LaTonya Goffney
Superintendent, Aldine
ISD

Dave Lewis
Superintendent, Rochelle
ISD

Grace Wu
TEA

David Marx
TEA

Matthew Holzgrafe
TEA

Introductions and objectives – 11:00-11:15

Defining compensation and its relationship to retention – 11:15-11:30

- State and National compensation data

Overview of compensation legal framework and types – 11:30-12:20

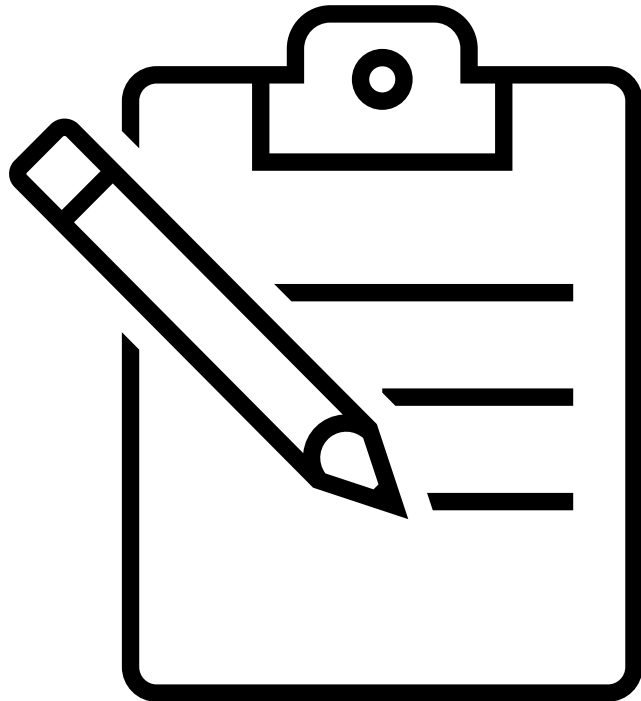
Lunch – 12:20-12:50

Panel – 12:50-2:10

- District Systems (Austin, Slaton, Diboll, Longview)
- Teacher Perspective (Austin, Slaton, Diboll, Longview)

Whole group discussion and recommendations – 2:10-2:30

Path Forward: Potential Deep Dive Topics



- Retirement
- Benefits
- Cost of living considerations
- Sustainability considerations
- Charter impact
- Innovative benefits

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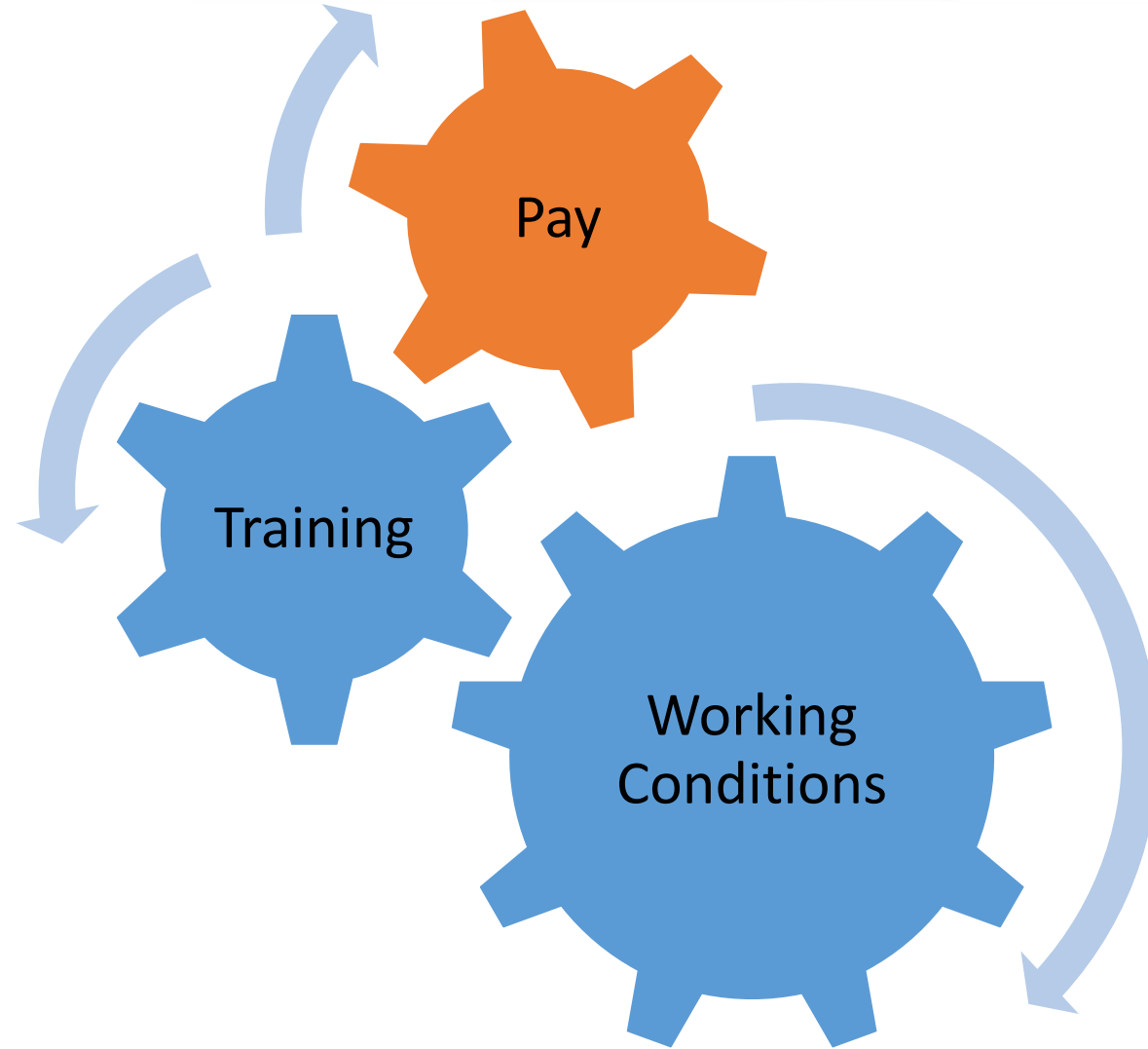
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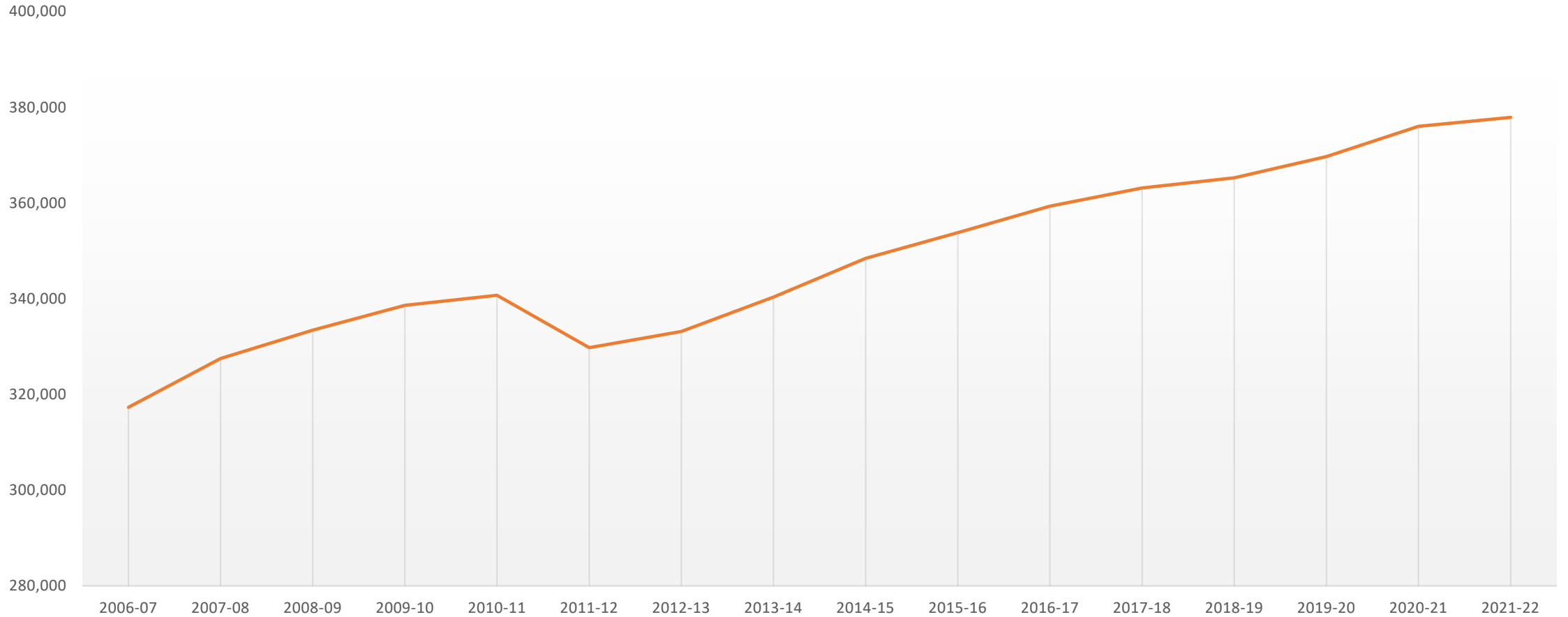
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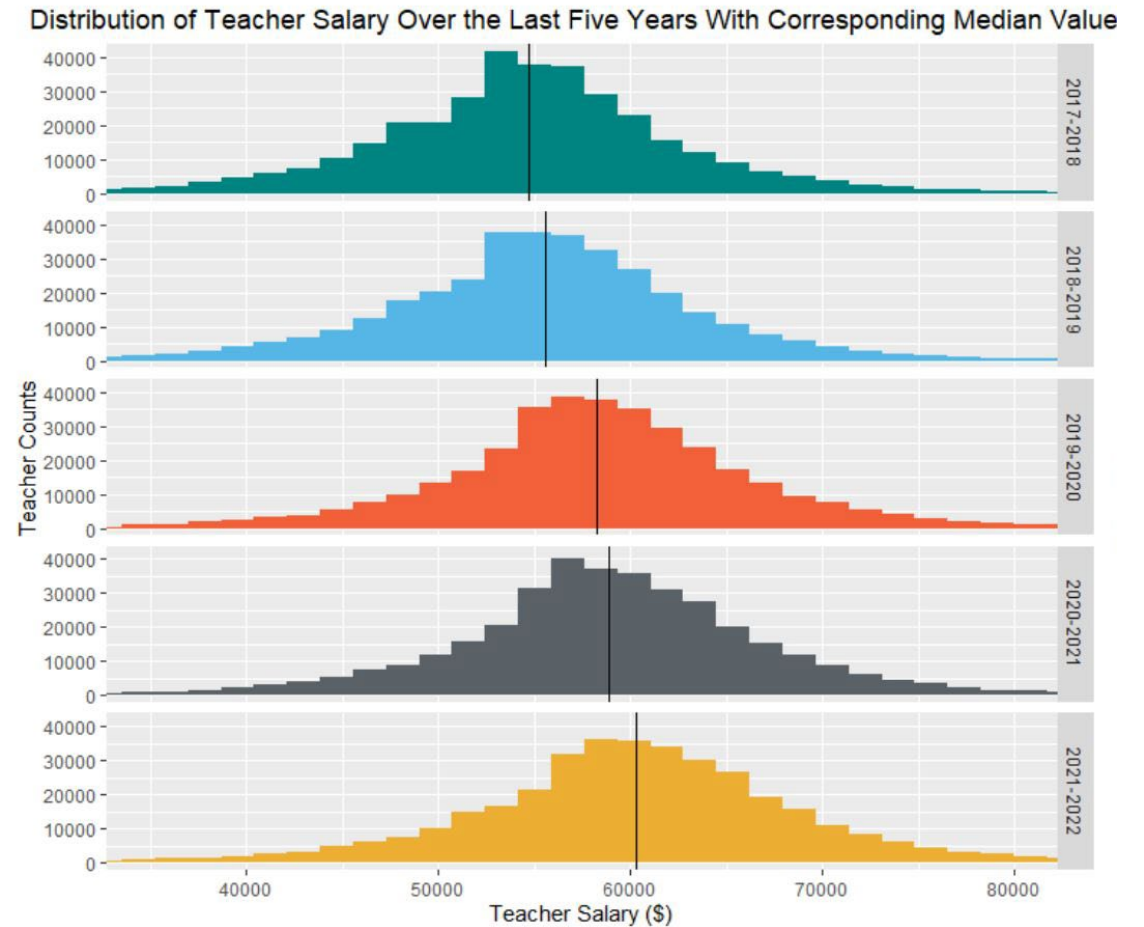
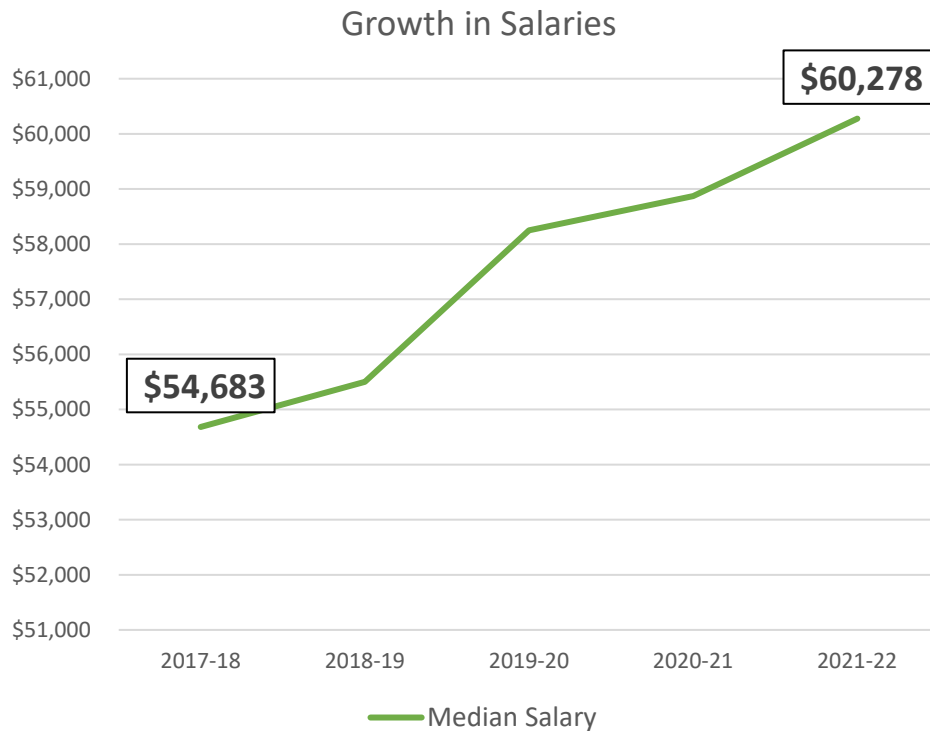


Our need for teachers continues to grow

Number of Employed Teachers



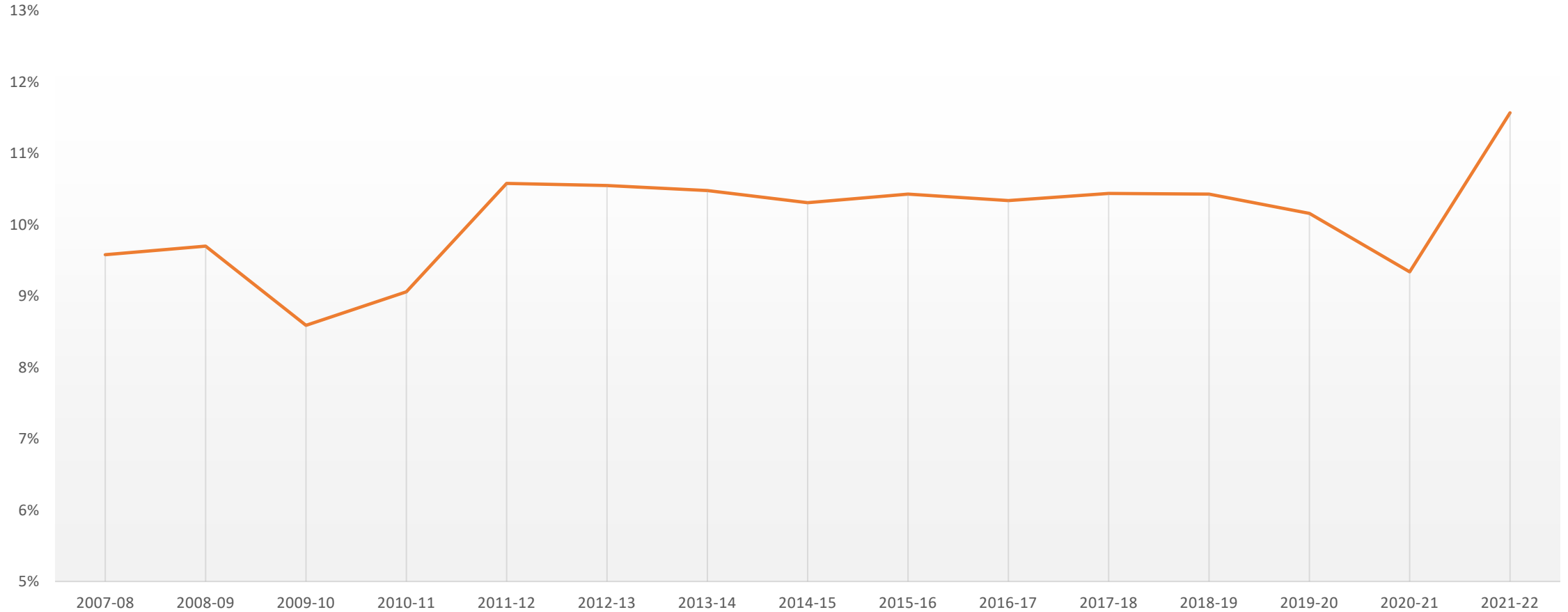
At the same time, districts have increased investments in individual teacher salaries





We have mixed results when it comes to retaining teachers, the pandemic has made that job harder

Teacher Attrition Percent



Increasing Compensation

- Compensation includes salary, stipends, benefits and other aspects of a teacher's total compensation package.
- Overall, districts spend approximately 50% on compensation for teachers. Any increases need a clear and sustainable funding source.
- Prior state-level action has focused on a minimum salary pay scale and adjustments to state-wide funding formulas.

Strategic Compensation Models

- Targeted compensation based on performance, priority schools, or other identified factors.
- Most effective when models represent a long-term investment in teacher salary.
- Can involve the creative use of funds to target specific district goals.

What parts of these definitions and the overall scope of the working group resonate or conflict with you? Are there particular focus areas?

Please review the following ahead of the June 2nd Teacher Vacancy Taskforce meeting.

- **General Teacher Compensation Resources:**

- [Are teacher salaries keeping up with inflation?](#) – National-level context on recent research related to teacher pay.
- [Strategies to build a sustainable special education teacher workforce](#) – Consideration of strategies for hard-to-staff positions. Includes Fort Bend ISD as an example.
- [Strategically Supporting the Teaching Profession: A Guide to Going Beyond Compensation-](#) Recommend reviewing at a high-level and considering how compensation can link to an overall teacher retention strategy.

- **Texas or Regional Resources:**
 - [Texas Teacher Workforce Report](#) – Recommend reviewing pages 45 to 72 for state data on salaries, mobility, and retention.
 - [Teacher Compensation in SREB States](#) – Regional comparisons and considerations around teacher salary.
 - District Examples from Panelists:
 - [Austin ISD's PPft Program](#)
 - [Longview LIFT Program](#)
 - Note, other panelists will share context on their compensation innovation in session.

Pre-Work Key Themes

- Salaries in Texas have remained stagnant over the last decade.
- Compensation does not exist in isolation and includes context, like inflation, and other benefits, such as health and retirement.
- Districts are considering ways to leverage compensation to meet goals for retaining certain teachers (e.g. special education teachers) and creating comprehensive retention strategies.

Other Themes?

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OVERVIEW OF COMPENSATION

June 2, 2022

Agenda

- Legal Framework for Salary
- Types of Compensation
- TRS Considerations

Legal Framework



What Drives Compensation

- State law sometimes requires compensation increases
- More often, inflation and / or competition with other districts and other industries drive wage increases

Minimum Salary Schedule (MSS)

- TEC 21.402 includes two calculations
 - Subsections a and b are indexed to basic allotment;
 - Subsection (c-1) includes a separate floor that is lower, and so not the controlling calculation
- Applies to teachers, librarians, counselors, and nurses
- Nearly all districts pay more than the minimum salary schedule requires
- MSS increases when the legislature increases the basic allotment

Minimum Service Required

- Minimum 10 months service
- Minimum of 187 contract days, with allowance for reduced days for shortened instructional calendar for implementation of minutes provision

Years of Experience Credited	Monthly Salary	Annual Salary (10 month contract)	Years of Experience Credited	Monthly Salary	Annual Salary (10 month contract)
0	3,366	33,660	11	4,677	46,770
1	3,439	34,390	12	4,785	47,850
2	3,510	35,100	13	4,885	48,850
3	3,583	35,830	14	4,981	49,810
4	3,735	37,350	15	5,071	50,710
5	3,888	38,880	16	5,157	51,570
6	4,041	40,410	17	5,237	52,370
7	4,183	41,830	18	5,314	53,140
8	4,317	43,170	19	5,386	53,860
9	4,444	44,440	20 & Over	5,454	54,540
10	4,563	45,630			

Additional Salary Requirements (TEC 48.051(c))

...when the basic allotment is increased, a school district must use at least 30 percent of the gain to provide compensation increases to full-time district employees other than administrators as follows:

- (1) 75 percent must be used to increase the compensation paid to classroom teachers, full-time librarians, full-time school counselors certified under Subchapter B, Chapter 21, and full-time school nurses, prioritizing differentiated compensation for classroom teachers with more than five years of experience; and
- (2) 25 percent may be used as determined by the district to increase compensation paid to full-time district employees.

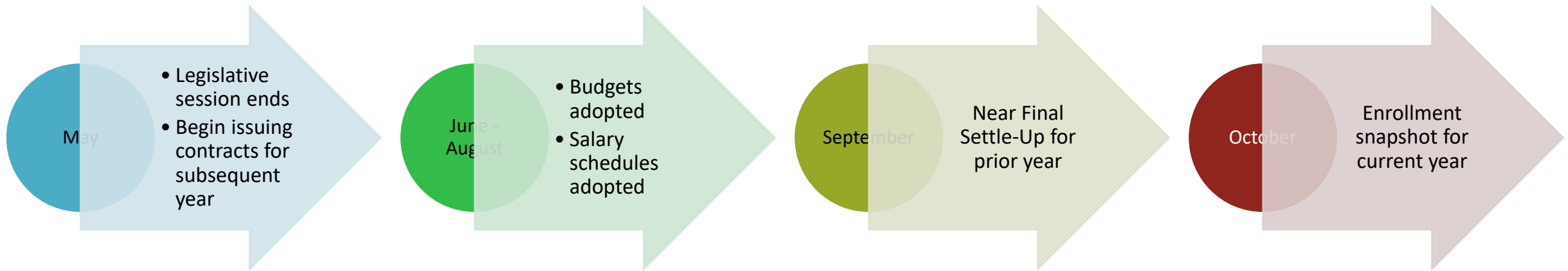
...

(d) In this section, "compensation" includes benefits such as insurance premiums.



Gain: the amount, if the amount is greater than zero, that equals the product of the average daily attendance of the district multiplied by the amount of the difference between the district's funding under this chapter per student in average daily attendance for the current school year and the preceding school year

District continues to fill vacancies, adjust revenue estimates, adjust employment cost estimates



Salary Increases Triggered by 48.051(c)

- Required increases
 - Leave flexibility for districts to use dollars strategically to target areas for maximum potential impact;
 - Allow districts to address compensation that isn't directly salary (health care costs, leave, stipends, etc.)
- Challenges
 - Depending on legislation, gains can be hard to calculate when salary decisions are made
 - Even the cost of increases can be hard to calculate due to
 - Vacancies
 - Departures

Salary Increases Triggered by 48.051(c)

- Options:
 - Provide for more than the required salary increase so that there is room for actual costs to vary from estimated costs
 - Provide for additional compensation after year has begun

Teacher Incentive Allotment

- Established in House Bill 3 (86th Legislature)
- Provides for allotment based on between \$3,000 and \$32,000 per teacher, depending on teacher designation, campus characteristics
- Districts must create local designation systems, subject to approval by state, to assign teachers designations.
- Teachers carry designations for five years, even if they move to another LEA
- All districts should consider TIA compensation policies whether or not they have approved designation plans
- 90% of TIA must be spent on teacher compensation on campus where designated teacher works

Types of Compensation



Common Salary Mechanisms



Base Pay: Typically adopted by the board in annual compensation plan. Effective tool for recruiting new staff. Typically seen as “permanent” salary by staff. Built into long term cost structure of the district. Costs often don’t count for special program spending requirements (i.e. bilingual education, compensatory education).



Stipends: Typically extra pay for specific qualifications and / or extra responsibilities. Can count for special program spending requirements.



Retention / Hiring Bonus: Typically advertised as “one-time”. Used to address specific shortages on a short term basis.

Other Considerations / Resources

- Prohibition on gift of public funds
- Contract provisions
- Local Policy
- TASB HRDataSource

Health Insurance

- TRS Active Care (Texas Insurance Code)
 - Employer Contribution: \$225 per month, or a greater amount, paid by LEAs (Insurance Code 1581.051)
 - Statute alludes to state contribution, but indirectly through the basic allotment – there is no longer a specific separate allotment
 - Employee Contribution: Remaining cost not covered by employer

School finance formulas no longer contain a separate element for health insurance. Rather, districts are told to use funds provided through the basic allotment to cover the state contribution.

Health Insurance

- Districts that do not participate in TRS Active-Care must make coverage available
- SB 1444 (87th Legislature): An entity may discontinue participation by providing written notice no later than December 31 prior to the upcoming plan year. A participating entity that discontinues its participation may not elect back into the program for 5 years. Likewise, an entity that opts into TRS Health coverage may not discontinue the program for 5 years.

Health Insurance

- State leadership using \$435 million in CRF funds to offset increased healthcare costs from COVID, avoid rate increases
- TRS ActiveCare moved to regional pricing in an effort to remain competitive

Leave

- TEC 22.003 provides five leave days per year with no limit on accumulation and transferable among districts (sometimes called “state leave”).
- There is no specific funding to cover the cost of state leave.
- Most districts provide leave in addition to this minimum requirement. Local leave does not transfer between districts.
- Both kinds of leave carry a district cost
- Leave can be critical, especially for families with young children

Retirement / Pension Contributions

	State (on minimum salary schedule)	Employer	Member
2019-2020	6.8%	1.5%	7.7%
2020-2021	7.5%	1.6%	7.7%
2021-2022	7.75%	1.7%	8.0%

Employers are also required to cover the state contribution on the difference between the minimum salary schedule and actual salary

Other Indirect Retention Strategies

- Working Conditions
 - Planning time
 - Access to mentoring and other assistance
 - Access to professional growth
- These strategies can be critical for teachers and students alike. Often come with a cost.

TRS Considerations



Retirement Eligible Compensation

1. Performance Pay that is a Part of the Total Compensation Plan Approved by the Board of Trustees and Otherwise Meets the Statutory and Rule Requirements
2. Payments of Normal Compensation
3. Additional Duties and Pay Authorized by the Employer and Paid to an Employee Serving in a TRS-Eligible Position
4. Compensation for Overtime
5. Workers' Compensation Paid as Temporary Wage Replacement
6. Longevity Pay
7. Service in a Particular Location that the Employer has Determined Requires Additional Compensation Compared to Other Employees of that Employer
8. Service in a Particular Specialty that the Employer has Determined Requires Additional Compensation Compared to Other Employees of that Employer
9. Pay for Assault Leave
10. Settlement Pay
11. Delayed Payments of Lump Sum Amounts
12. Amounts Deducted from Regular Pay
13. Amounts Deducted from Regular Pay for a Qualified Transportation Benefit
14. Merit Salary Increases
15. One-Time Salary Increases
16. Corrective Payments

Retirement Ineligible Compensation

1. Payments for Terminating Employment or Paid as an Incentive to Terminate Employment
2. Settlement Pay
3. Reimbursement for Expenses
4. Allowances
5. Payments for Certain Types of Accrued Leave
6. Payments for Accrued Compensatory Time for Overtime Worked
7. Bonus and Incentive Payments
8. Payments that Exceed \$5,000 Annually
9. Employer Payments for Fringe-Type Benefits
10. Cash Payments in Lieu of a Fringe Benefit
11. Pay for Work as an Independent Contractor or Consultant
12. Signing Bonus
13. Retention Bonus or Payment
14. Payments that Exceed the Salary Cap
15. "At Risk" Pay
16. Retroactive Pay Increases Excluded by the Plan's Terms

Retire / Rehire

TRS and Sunset: HB 1585 (87R)

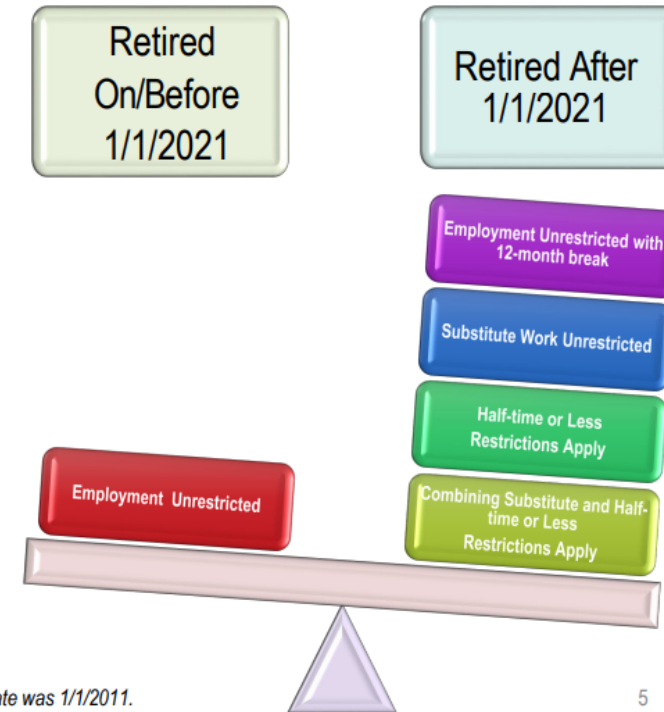
▪ Retired on or before 1/1/2021

- Employment unrestricted after one-month break in service from public education.

▪ Retired after 1/1/2021

- Unrestricted with twelve-month break in service
- Restrictions based on employment type and no twelve-month break in service.
 - Substitute – unrestricted. You may substitute an unlimited number of days in a position held by a current employee or in a vacant position(s) for no more than 20 days.
 - Half-time or Less – limited to working 92 hours per month.
 - Combining substitute and half-time or less – limited to working 11 days per month.

One-month break in service required for ALL retirees



Note: Applicable surcharges may apply for those who retired after 2005. Prior to 87R HB 1585, the EAR applicability date was 1/1/2011.

5

Retire / Rehire

- SB 202 (87th Legislature): Prohibits employers from directly or indirectly passing employer contributions to TRS on to retirees by any means, regardless of the timing of their retirement.



T | A | S | B | O

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Diboll ISD prioritized raises, bonuses, and sustainability to increase the retention of their teachers. They implemented the following strategies using ESSER and local funds:

- Salary raises
- COVID retention bonuses
- Signing bonuses and early retirement notice bonuses
- Decreasing the number of contract days
- Increasing the amount towards employee's health insurance

Slaton ISD prioritized increasing compensation and services in addition to providing opportunities for strategic compensation to increase the retention of their teachers. They implemented the following strategies using local, state, and grant funding:

- Salary raises
- Retention bonuses
- Increasing the amount towards employee's health insurance
- Providing low-cost childcare
- Aligning compensation with teacher effectiveness outcomes



Session Panel # 1: District Compensation Increases and Retention

Amie Ortiz
*Director of
Employee
Effectiveness*

Austin
ESC 13
73,726
students

Tasha Barker
*Assistant
Superintendent
of Curriculum
and Instruction*

Diboll
ESC 7
1,712
students

John York
*Chief Human
Resources
Officer*

Longview
ESC 7
8,215
students

Stephanie Kieth
*Director of
Curriculum and
Instruction*

Slaton
ESC 17
1,262
students

- **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?
 - How did your district approach the various kinds of compensation increases? What considerations did you have to balance?

Panel #1 Questions

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



Session Panel # 2: Compensation and the Teacher Perspective

Patricia
Detrich
*4th Grade ESL
teacher and
National Board
Certified*

Austin
ESC 13
73,726
students

Yvette Garcia
*High School Math
teacher*

Diboll
ESC 7
1,712
students

James
Fernandez
*Math teacher
and TIA Master
teacher*

Longview
ESC 7
8,215
students

Amanda
Langston
*High School Math
teacher and
mentor*

Slaton
ESC 17
1,262
students

Panel #2 Questions

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

Panel #2 Questions

- What is the role of compensation compared to other factors in your decision to remain as a teacher?
- What types of compensation mean the most to you?
- What factors do you believe should most determine your compensation?

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Whole Group Discussion: Compensation Increases

Increasing Compensation

- Benefits, Leave, Other factors



Strategic Compensation Models

- Teacher Incentive Allotment
- District-Models
- Other funding sources



As a group:

- Which strategies stood out to you? What are the benefits and considerations as it relates to retention?
 - What are the potential implications or specific strategies that should be considered for our hardest to staff certification and placement areas: Special Education and Bilingual?
- What resources would help districts implement compensation increases?
- What are regulatory or policy challenges that impact implementation?
- How do the proposed strategies influence teacher recruitment and marketing messages that could make the teaching profession more attractive to future candidates?

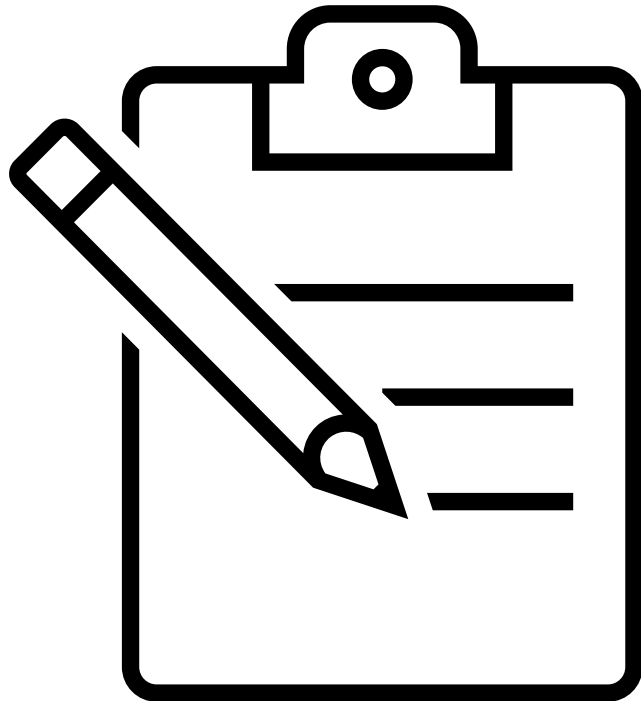
Within Working Groups:

- Panels with topic specific experts and additional perspectives
- Opportunities for smaller group discussions between Task Force members
- Task Force members lead and TEA staff will begin to synthesize trends from the group
- Not expected to come to clear consensus or agreement by the end of the discussion
(Expect and Accept Non-closure)

Between Working Groups:

- Trends from the working groups will be shared whole group for discussion and in meeting summary notes
- Additional opportunities for all Task Force members to share perspectives in post-work surveys on all working group topics
- Working Group topics and membership are flexible and will evolve over time with opportunities for Task Force members to move between groups

Path Forward: Potential Deep Dive Topics



- Retirement
- Benefits
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- Charter impact
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Thank You!

