

DIFFERENTIATED PAY PLAN

I. Description of Differentiated Pay Plan

Obion County Schools is currently in a transition period due to the resignation of its director last November. It is anticipated that a new director will not be named before April of 2014. Because of this unique position, the committee appointed to develop a differentiated pay plan determined that the best course of action was to adopt a plan that would be budget neutral and that could be easily modified. Therefore, a plan was developed that would add a bonus payment system based on teacher performance to the existing salary schedule.

Performance bonuses will be awarded to teachers that have an overall TEAM score of 3, 4, or 5. Teachers with a TEAM score of 1 or 2 will not receive a bonus. Teachers who have a TEAM score of 3 will be allotted 3 shares; teachers with a TEAM score of 4 will be allotted 4 shares; and teachers with a TEAM score of 5 will be allotted 5 shares. Building administrators will receive shares at the same level based on their overall state evaluation score. This structure will ensure the sustainability of the program without the requirement of additional funding, as well as guaranteeing that all funds earmarked for the program will be spent.

The bonuses will be funded through an account established this year with monies received from the 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 by the state and is applied to the pool. Based on 2012-13 evaluation scores, each share would have a value of about \$90. Therefore the bonus for a teacher with a TEAM score of 3 would be \$270. A teacher with a TEAM score of 4 would earn a bonus of \$360 and a teacher with a TEAM score of 5 would earn a bonus of \$450.

The distribution of teachers who would have received bonuses this year based on the proposed plan 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. Ten teachers had a TEAM score of one or two and would not have received a bonus.

The existing salary schedule and the hard-to-staff compensation policy adopted in 2007 will remain unchanged for the 2014-15 school-year. Next spring, our compensation package will be reviewed and compared with those of surrounding districts to ensure we remain competitive in our recruitment and retention of highly qualified staff.

DIFFERENTIATED PAY PLAN

II. **Salary Schedule**

1. Salary Schedule (See attached)
2. As currently structured, no additional monies are required to sustain the bonuses based on teacher performance. As new monies for compensation become available, strong consideration will be given to add to the “bonus pool”. No final decision will be made about additional monies until a new director is in place.

III. **Eligibility and Stakeholder Engagement**

1. All full-time certified staff will be eligible for the performance bonus based on the individual’s TEAM score. Staff members with a TEAM score of 1 or 2 will not receive a performance bonus.

Bonuses will be paid out in November of each year based on the TEAM scores from the previous school-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.

- a. 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).
- b. 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.

2. In the Obion County School System, a committee made up of three teachers, two central office personnel, and the then current director of schools participated in an advanced planning cohort. This planning 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 teachers assigned to the committee gathered feedback from their local schools as well as reporting on the committee’s progress.

I. Description of Differentiated Elements (Required Section)

Directions: For each element of the district's differentiated pay plan, use the table below to provide a description of how the district will differentiate pay. The plan must include **at least one** of the elements listed below in the left-hand column, in addition to education and experience.

Many plans may include a combination of several elements; therefore, please add rows or repeat differentiated elements as needed. For example, the plan may include two different types of additional instructional roles. Also, please feel free to delete from the table or leave blank any differentiated elements that will not be used in your plan.

[Appendix B](#) of this document contains an example of each type of differentiated element. Please review that example prior to completing the table below.

Differentiated Element	Description	Compensation Type and Size	Reach	Estimated Cost	Estimated Salary Expenditures
	<i>Describe how the district will differentiate for this element.</i> <i>Include the criteria for receiving the award.</i>	<i>Will the compensation be given as a bonus or a base pay increase?</i> <i>How much will qualifying teachers receive?</i>	<i>Eligibility: How many teachers are eligible for this type of compensation?</i> <i>Forecasted participation: How many teachers do you estimate will receive the award?</i>	<i>How much does the district estimate it will pay out for this differentiated pay element?</i>	<i>What percentage of salary expenditures (excluding benefit costs) does this element cover?</i>
Hard-to-Staff (School, Subject, or Placement)	<i>We currently have a plan (adopted 2007) to reimburse tuition costs for teachers who pursue an added endorsement in one of the seven identified areas of hard-to-staff subjects. See attached plan.</i>	<i>Compensation will be a reimbursement of qualified tuition costs. Details are in attached plan.</i>	<i>Any teacher who seeks an added endorsement in one of the identified seven subject areas. Based on previous data, no more than 1-2 teachers.</i>	<i>There are no teachers enrolled in the plan at this time.</i>	<i>N/A</i>
Performance	<i>The district will award bonuses for teachers and administrators who have an overall TEAM score of 3, 4, or 5. Those with a TEAM score of 1 or 2 will not receive a bonus.</i>	<i>Bonus levels will be awarded as follows: Teachers with a TEAM score of 3 will be allotted 3 shares, teachers with a TEAM score of 4 will be allotted 4 shares, and teachers with a TEAM score of 5 will be awarded 5 shares. The pool of money set aside for bonuses is</i>	<i>All teachers and building administrators are eligible for the bonuses. Complete eligibility rules are attached. Based on last year's data, 52 teachers qualified for the allotment of 3 shares, 115 teachers qualified for the allotment of 4 shares, and 77 teachers qualified for the</i>	<i>The total estimated cost to the district is \$90,000-\$95,000</i>	<i>The cost of the bonuses is less than 1% of total salary expenditures.</i>

DIFFERENTIATED PAY PLAN

		<i>approximately \$90,000. Based on last year's data, the bonus for a TEAM score of 3 would be \$270, a TEAM score of 4 would be \$360, and a TEAM score of 5 would be \$450.</i>	<i>allotment of 5 shares. Only 10 teachers would not have earned a bonus.</i>		
Education	<i>At the present time, the district will still compensate teachers for Bachelor's, Master's, Master's + 30, Ed.S, and Doctorate degrees.</i>	<i>See attached Salary Schedule.</i>	<i>All teachers are eligible. At the present time, 108 teachers have a Master's, 38 have a Master's + 30, and 8 have an ED.S.</i>	<i>The cost to the system is approximately \$760,000.</i>	<i>This is approximately 8% of salary expenditures.</i>
Experience	<i>The district will continue to award step increases base on experience up to 20 years.</i>	<i>See attached Salary Schedule.</i>	<i>All teachers are eligible.</i>	<i>The average step increase is approximately \$525. This amounts to roughly \$140,000 per year.</i>	<i>This equates to about 1.5% of salary expenditures.</i>
Other					

DIFFERENTIATED PAY PLAN

OBION COUNTY BOARD OF EDUCATION SALARY SCHEDULE LICENSED INSTRUCTIONAL PERSONNEL Effective July 1, 2013

YEARS OF EXPERIENCE	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
DESCRIPTION OF TRAINING																					
DOCTORATE																					
Teachers & Principals	43,690	44,770	44,925	45,795	46,730	47,665	48,930	49,940	51,405	52,480	52,690	53,775	54,015	55,200	55,415	56,860	56,870	58,230	58,255	59,655	59,990
System-Wide Personnel	44,295	45,370	45,520	46,390	47,355	48,295	49,580	50,600	52,070	53,175	53,385	54,500	54,735	55,945	56,150	57,610	57,620	58,995	59,025	60,430	60,755
EDUCATION SPECIALIST																					
Teachers & Principals	40,385	41,465	41,615	42,405	43,250	44,130	45,290	46,230	47,565	48,560	48,765	49,775	50,000	51,095	51,315	52,675	52,685	53,950	53,975	55,270	55,600
System-Wide Personnel	41,365	42,440	42,590	43,420	44,285	45,170	46,360	47,325	48,700	49,715	49,930	50,965	51,190	52,305	52,545	53,910	53,920	55,220	55,250	56,550	56,875
MASTER'S + 30 SEMESTER HOURS																					
Teachers & Principals	39,225	40,695	41,155	41,415	41,945	42,765	43,390	44,015	45,100	46,065	46,290	47,275	47,460	48,465	48,675	49,695	49,900	50,455	50,500	51,675	52,010
System-Wide Personnel	40,185	41,660	42,115	42,400	42,950	43,785	44,440	45,090	46,210	47,210	47,435	48,455	48,630	49,665	49,875	50,930	51,125	51,695	51,750	52,945	53,275
MASTER																					
Teachers & Principals	37,171	38,165	38,630	38,895	39,465	40,250	41,331	41,535	42,725	43,615	43,810	45,201	45,226	45,890	46,200	47,155	47,395	47,735	47,875	48,680	48,880
System-Wide Personnel	37,670	39,145	39,615	39,890	40,480	41,285	41,950	42,620	43,875	44,775	44,965	45,935	46,115	47,110	47,410	48,400	48,630	48,990	49,135	49,980	50,160
BACHELOR																					
Teachers & Principals	33,951	35,336	35,766	35,766	36,010	36,590	37,716	37,800	38,350	39,170	39,745	40,791	41,166	41,440	41,990	42,875	43,085	43,280	43,480	43,675	44,230
System-Wide Personnel	34,515	35,910	36,335	36,580	37,070	37,670	38,380	38,935	39,525	40,370	40,950	41,565	42,115	42,695	43,250	44,165	44,375	44,590	44,795	45,010	45,550
Footnotes:																					
Note 1:	See State Board of Education Rules, Regulations and Minimum Standards 0520-2-4-.01(15), Advanced Academic Training Acceptable for Purposes of Salary Rating on the License, regarding master's degree, master's degree plus 30 semester hours, education specialist's degree, and doctor's degree designations.																				
Note 2:	A principal shall receive \$8.00 per month for ten months for each full-time teacher under his/her supervision up to and including 20 full-time teachers.																				
Note 3:	Occupational education teachers with less than a bachelor's degree who hold the occupational education license shall be paid on a bachelor's degree.																				
Note 4:	For a supervising teacher of instruction, add \$20.00 for each teacher supervised to a maximum of 50 teachers. Less than full-time will be reduced proportionally.																				
Note 5:	For a supervising teacher of instruction with less than a bachelor's degree, rate the person as though they hold a bachelor's degree.																				

COMPENSATION FOR HARD-TO-STAFF POSITIONS

DIFFERENTIATED PAY PLAN

Obion County Schools recognize the importance of continuing education for employees and are supportive of employee efforts to seek further training, qualifications, and certifications through participation in coursework at institutions of higher education and testing programs administered by the Educational Testing Services. The Board of Education shall reimburse college tuition, based on the then current rate of tuition of the nearest Tennessee Board of Regents College or University, when such coursework is undertaken to receive an advanced degree and/or an additional endorsement in one or more of the seven identified hard-to-staff positions/subject areas. A review of staffing vacancies over the last five years reveals that the following positions/subject areas are hard to staff:

- 1) English as a Second Language
- 2) Math
- 3) Physics
- 4) Chemistry
- 5) Biology
- 6) Special Education
- 7) Foreign Language

Funds will be allocated during the school year over the three semesters during which coursework must be completed: fall, spring, and summer. The amount of funding may vary from year to year. For the fall semester, the deadline for application will be August 1; for the spring semester, the deadline will be November 15; and for the summer semester, the deadline will be May 1. For coursework, the amount will be determined by the funds available and the number of applicants.

To qualify for tuition reimbursement, the following stipulations shall apply:

- 1) The teacher must be currently tenured with the Obion County School System.
- 2) The teacher shall complete the application form and shall **present a plan for coursework** that will lead to the agreed upon advanced degree and/or additional endorsement, including a date of completion.
- 3) The percentage of reimbursement will be based on the grade received following successful completion of the course. Reimbursement is paid as follows:

Grade	Reimbursement
A	100%
B	75%
C	50%
Below C	0%

DIFFERENTIATED PAY PLAN

- 4) The advanced degree and/or new endorsement shall be received within three years of the coursework's start date. If the advanced degree and/or new endorsement is not received within three years, the employee shall be liable to the Board of Education for the full amount of tuition reimbursed.
- 5) After obtaining the advanced degree and/or new endorsement, the teacher shall transfer to a vacant teaching position in that subject area. If the teacher refuses to transfer, the teacher shall be liable to the Board of Education for the full amount of tuition reimbursed.
- 6) If a teacher who participates in this initiative decides to leave the system after obtaining an advanced degree and/or additional endorsement, within the time specified below, funds shall be reimbursed to the system according to the following schedule:

After Obtaining Advanced Degree and/or Additional Endorsement, If Teacher Serves:	Percentage Owed to the Board of Education:
Less than 1 Year	100%
More than 1 Year, but Less than 2 Years	80%
More than 2 Years, but Less than 3 Years	60%
More than 3 Years, but Less than 4 Years	40%
More than 4 Years, but Less than 5 Years	20%
More than 5 Years	0%