

Arkansas

Developing Differentiated Compensation For Teachers

Joint Committee on Educational Adequacy

Final Report

August 29, 2003



TEACHER EXCELLENCE THROUGH COMPENSATION

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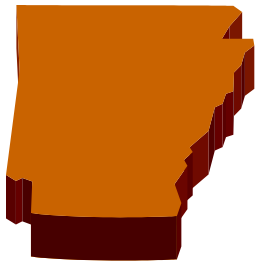


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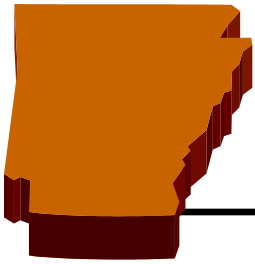
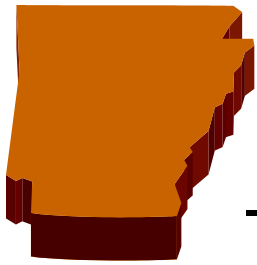
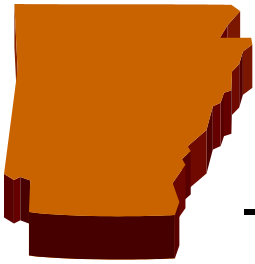


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1. Executive Summary



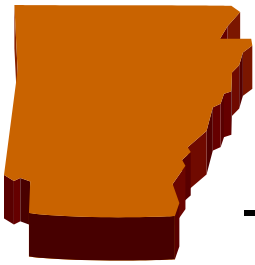
1. Executive Summary

Study Purpose

The Joint Committee on Educational Adequacy (the Committee) has undertaken a study of teacher compensation as part of a larger investigation into the adequacy of K through 12 education within the State. Teacher compensation is, by far, the largest expenditure in financing education and, therefore, would have a large impact on achieving Arkansas's adequacy goals.

The study reported here asked three questions:

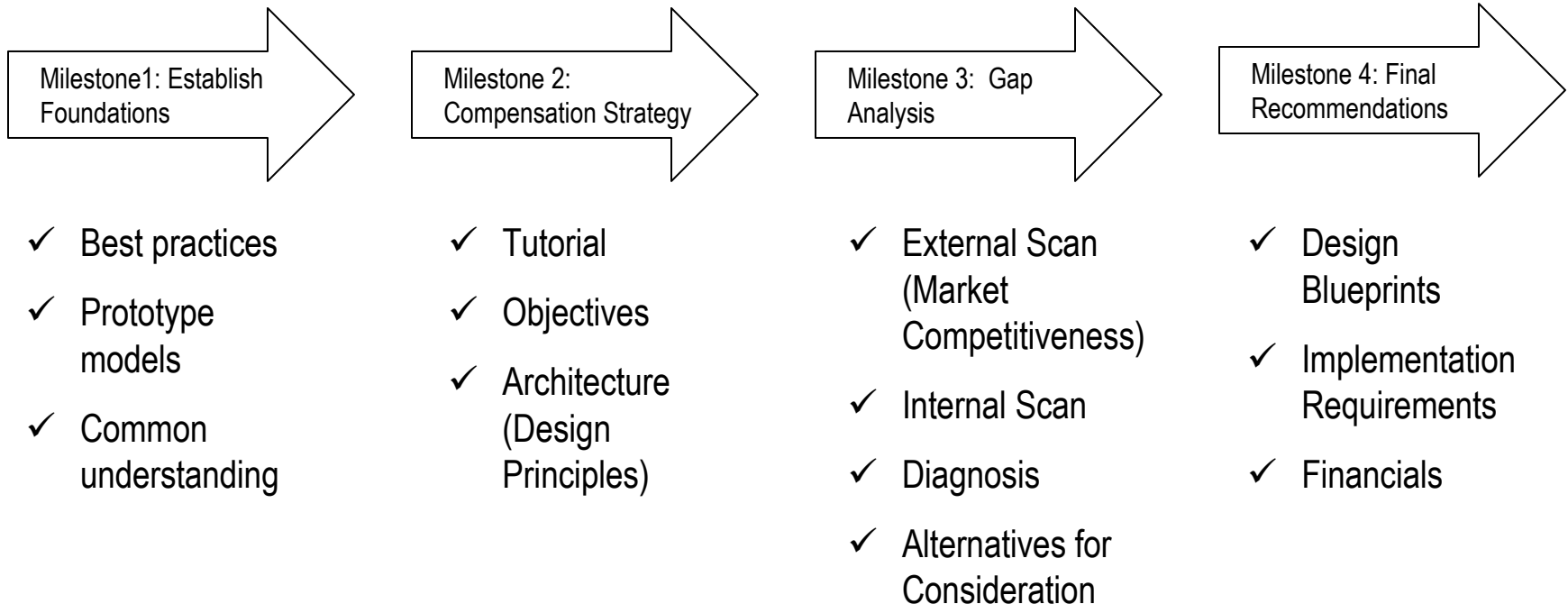
1. How well does Arkansas' current teacher compensation program support the States broader adequacy goals for education?
2. If the current compensation program does not support those goals, what would a better system look like?
3. What will be the cost of introducing such improvements to the teacher compensation program?

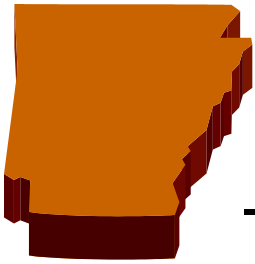


1. Executive Summary (Cont'd.)

Study Purpose (Cont'd.)

This report shares the findings of the Committee's study. The investigation achieved four milestones:



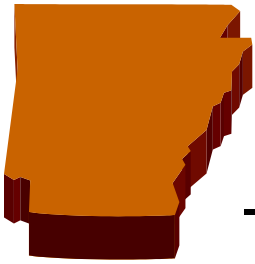


1. Executive Summary (Cont'd.)

Study Findings

The Committee concludes that Arkansas's current teacher compensation is lacking in the following areas:

1. Teacher salary levels are below that of the contiguous states as well as the member states of the Southern Regional Education Board (SREB) – hampering Arkansas' ability to recruit and retain the levels of skills required to deliver student achievement required by its adequacy goals.
2. The current single salary schedule prevalent throughout Arkansas' school districts fails to create the incentives and opportunities for Arkansas teachers to develop and apply the kinds of skills required to improve student learning.
3. There are no incentives in the current teacher compensation program to directly reward teachers for their efforts leading to improved student learning.

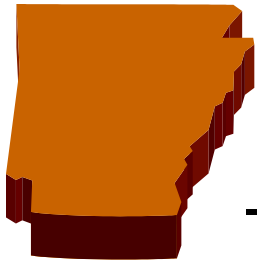


1. Executive Summary (Cont'd.)

Recommendations

The Committee recommends that Arkansas take five actions to close the gaps we diagnosed in the State's teacher compensation program:

1. Increase Arkansas' teacher salaries by 15% -- at a cost of \$277 million.
2. Adopt a Knowledge and Skill Based Pay (KSBP) salary schedule to replace the single salary schedule currently in use.
3. Adopt a set of policies for teachers to progress through the new KSBP salary schedule.
4. Adopt the Committee's recommendations for piloting KSBP and making the transition from our current salary schedule to the KSBP salary schedule.
5. Adopt the Committee's recommendation for designing and implementing a new School Based Performance Award program.



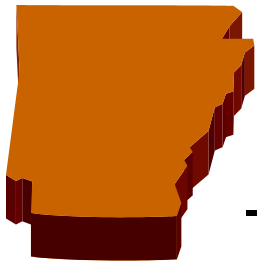
2. Teacher Compensation Strategy



2. Teacher Compensation Strategy

Arkansas's Teacher Compensation Strategy is a game plan for combining and using the elements of total compensation. It will provide direction for the teacher compensation program. Specifically, we used this strategy to:

- ✓ Gain control over the process of compensation, directing it towards the goals we have set for the process (e.g., attracting and retaining talent).
- ✓ Provide a yardstick for assessing the effectiveness of the State's current compensation practices.
- ✓ Provide design principles for improved compensation systems.
- ✓ Provide us with an architectural blueprint for designing any new compensation systems.

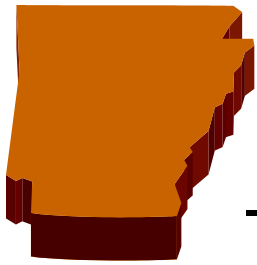


2. Teacher Compensation Strategy (Cont'd.)



Arkansas' teacher compensation strategy has two components:

Objectives	Defining what we want to accomplish with compensation.
Architecture	A set of guiding principles, or blueprint, for the design and operation of each element or building block in total compensation.



2. Teacher Compensation Strategy (Cont'd.)



Objectives for Teacher Compensation

1. Student Performance

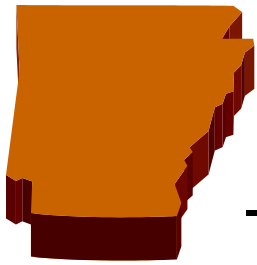
A compensation program that drives improvements in student academic achievement in Arkansas.

2. Attraction and Retention:

Attract and retain the best teachers possible.

3. Career Path Opportunity

Provide teachers with meaningful and rewarding opportunities for advancement in the profession, based on the acquisition of skills that enhance instructional excellence and student learning, taking on leadership roles, and making exceptional professional contributions.



2. Teacher Compensation Strategy (Cont'd.)



4. Teacher Performance

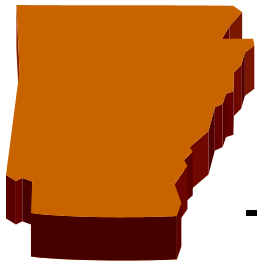
Motivate and provide financial incentives for teacher efforts and performance that lead directly to improved student achievement.

5. Sense of Justice

Encourage and reward teachers individually for increasing their knowledge, skills, and competencies, and collectively for improving student performance.

6. Accountability

Promote a sense of ownership for student results and a commitment to perform in a manner that promotes student achievement



2. Teacher Compensation Strategy (Cont'd.)



7. Collegiality

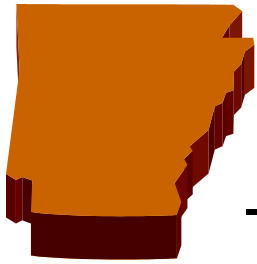
Promote professional collegial cooperation.

8. Communication-teaching the enterprise

As a result of the pay program, people have a keen understanding (line of sight) of what is expected of them and the priorities of the state.

9 Cost

A compensation program that will be affordable, somewhat predictable, and in keeping with the state's educational and fiscal objectives.

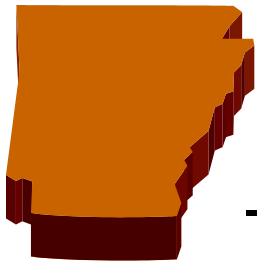


2. Teacher Compensation Strategy (Cont'd.)



Teacher Compensation Architecture

Following are a set of design principals for teacher compensation that will serve the objectives we have set forth.



2. Teacher Compensation Strategy (Cont'd.)



Salary Level.

Message:

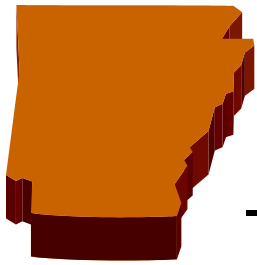
“Operating within the State’s mission, this is fair and competitive pay for the skills and experience you offer to the State/District.”

How It Should Work:

Teacher salaries at all levels are priced competitively with teacher pay in competitive states and school districts. Teacher salaries are also priced competitively with those of benchmark occupations outside of education but within Arkansas. Salary levels should also reflect the amenities and dis-amenities of the various districts within Arkansas, specifically those in rural areas. They should also allow us to attract and retain teachers in shortage areas such as math.

Objectives to be Achieved:

- a. Attraction and Retention
- b. Sense of Justice
- c. Cost



2. Teacher Compensation Strategy (Cont'd.)



Salary Progression - Salary Advancement Over a Teaching Career

Message:

“Salary advances are based on acquiring, using, and demonstrating knowledge and skills that increase instructional effectiveness leading to improved student learning”

How It Should Work:

Salary progression is linked to career level advancement defined by the acquisition and demonstration of those skills, educational attainment, and experience that determine instructional effectiveness.

Objectives to be Achieved:

- a. Student Performance
- b. Attraction and Retention
- c. Career Path Opportunity
- d. Teacher Performance
- e. Sense of Justice
- f. Accountability



2. Teacher Compensation Strategy (Cont'd.)



Variable Pay- a payment over and above base salary that must be re-earned.

Message:

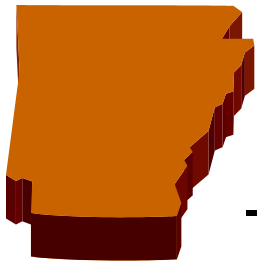
“We want to work collectively and individually to accomplish ambitious/meaningful student performance.”

How It Should Work:

Faculty, administration, and classified staff in schools are rewarded if they produce improvements in student performance aligned with state, local, and federal accountability requirements.

Objective to be Achieved:

- a. Student Performance
- b. Sense of Justice
- c. Accountability
- d. Teacher Performance
- e. Collegiality
- f. Communicating –Teaching the Enterprise



2. Teacher Compensation Strategy (Cont'd.)



Career Opportunity- the ability to increase both breadth and depth of skill and be rewarded for it in some form.

Message:

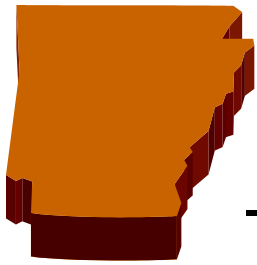
“We encourage and provide the means for career development to promote the continued growth of teachers in order to improve student performance..”

How It Should Work:

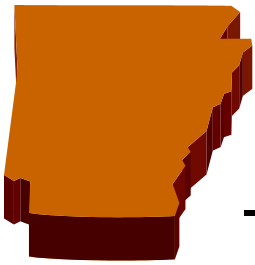
Teachers periodically define their career paths and set and fulfill realistic professional goals towards that end. Such goals could include teacher leadership roles.

Objective to be Achieved:

- a. Attraction and Retention
- b. Career Path Opportunity
- c. Performance
- d. Sense of Justice
- e. Accountability
- f. Collegiality



3. Gap Analysis – External Scan

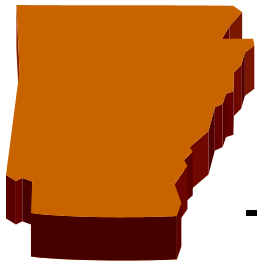


3. Gap Analysis: External Scan

Gap Analysis

A key step in preparing for pay for performance for teachers is to hold Arkansas' current teacher pay plan (the salary schedule) up to our compensation strategy and examine how well it satisfies the objectives and architecture we have established as expectations. The Gap Analysis is a diagnostic step that will:

- ✓ Identify any “gaps,” that is, areas where the current pay plan falls short of expectations;
- ✓ Provide a basis for us to identify alternatives to our current salary schedule that will close those gaps; and,
- ✓ Provide a case or compelling rationale, for changing to a different, improved pay system.



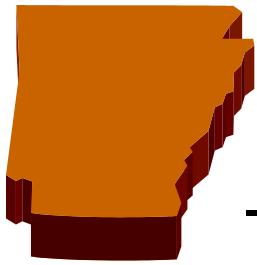
3. Gap Analysis: External Scan (Cont'd.)

External and Internal Scan Questions

Our diagnosis addressed three questions about the current pay program in Arkansas:

1. How competitive is teacher pay? – The External Scan
2. How well does base pay progression under the current single salary schedule support our strategy? - The Internal Scan
3. How well does the current State's current bonus program, called Measuring Performance Honors (MPH), support our strategy? – The Internal Scan

The first question will be addressed as part of the external scan in this section. Questions 2 and 3, above, are addressed in the internal scan and presented in the next section of this report.



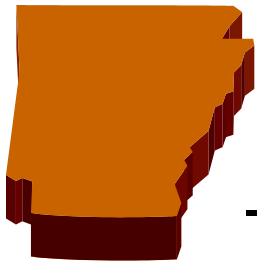
3. Gap Analysis: External Scan (Cont'd.)



External Scan: How competitive is teacher pay?

Compensation Strategy (see Section 2)

Arkansas' compensation strategy calls for the following message to teachers regarding teacher salary level: "Operating within the State's mission, this is fair and competitive pay for the skills and experience you offer to the State/District." We envision teacher salary level operating in the following fashion: "Teacher salaries at all levels are priced competitively with teacher pay in competitive states and school districts. Teacher salaries are also priced competitively with those of benchmark occupations outside of education but within Arkansas. Salary levels should also reflect the amenities and dis-amenities of the various districts within Arkansas, specifically those in rural areas. They should also allow us to attract and retain teachers in shortage areas such as math."



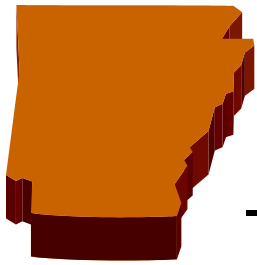
3. Gap Analysis: External Scan (Cont'd.)

External Scan: How competitive is teacher pay (Cont'd.)?

What We Found

Following are a series of graphs that make three sets of comparisons:

1. Arkansas teacher salaries compared to six contiguous states (Louisiana, Mississippi, Missouri, Oklahoma, Tennessee, and Texas).
2. Arkansas teacher salaries compared to the other fifteen members of the Southern Regional Education Board (Alabama, Delaware, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, Virginia, and West Virginia).
3. Arkansas teacher salaries compared to other occupations within Arkansas, first occupations similar in content, and second occupations requiring similar skill sets.



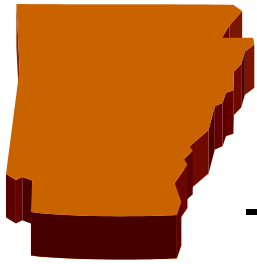
3. Gap Analysis: External Scan (Cont'd.)

External Scan: How competitive is teacher pay (cont'd.)?

Data Sources

The Committee employed the following data sources in conducting the salary comparison analyses:

1. American Federation of Teachers (AFT) data base;
2. National Education Association (NEA) data base
3. Information supplied by the Arkansas Department of Education
4. The National Association of Colleges and Employers (NACE) data base on starting offers for college graduates; and,
5. The U.S. Department of Labor's O*Net data base on occupations in Arkansas.



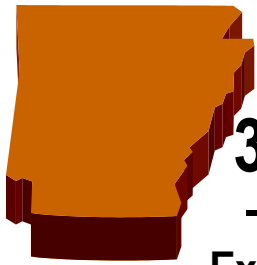
3. Gap Analysis: External Scan (Cont'd.)

External Scan: How competitive is teacher pay (cont'd.)?

Method

First we compared Arkansas entry and average teacher salaries with the benchmarks for 2000-2001 (the latest data we were able to obtain from AFT and NEA).

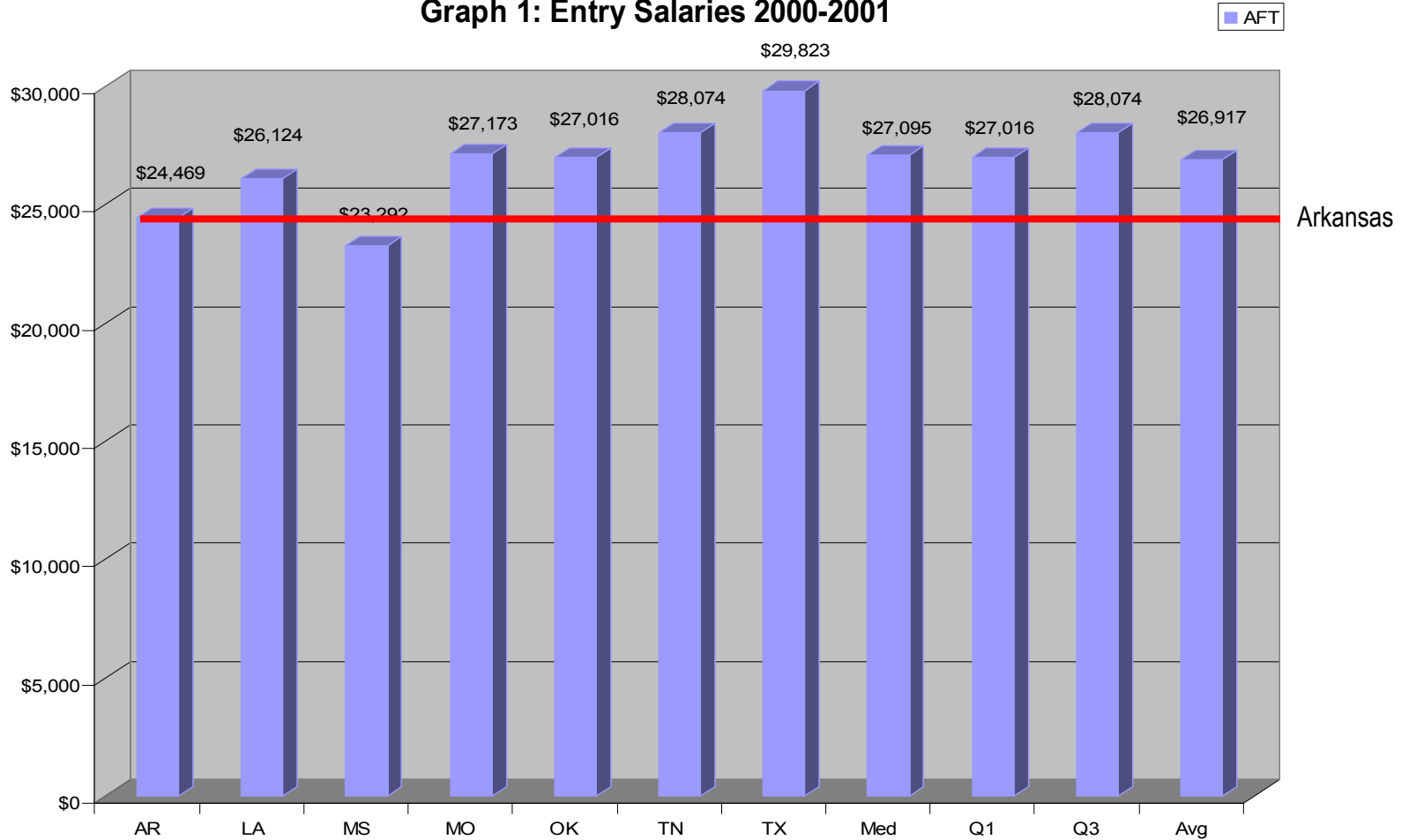
Comparisons are made against six contiguous states and SREB member states...

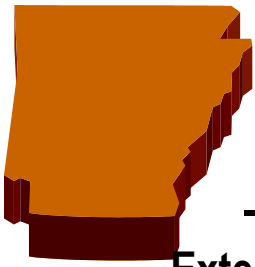


3. Gap Analysis: External Scan (Cont'd.)

External Scan: How competitive is teacher pay (cont'd.)?

Graph 1: Entry Salaries 2000-2001



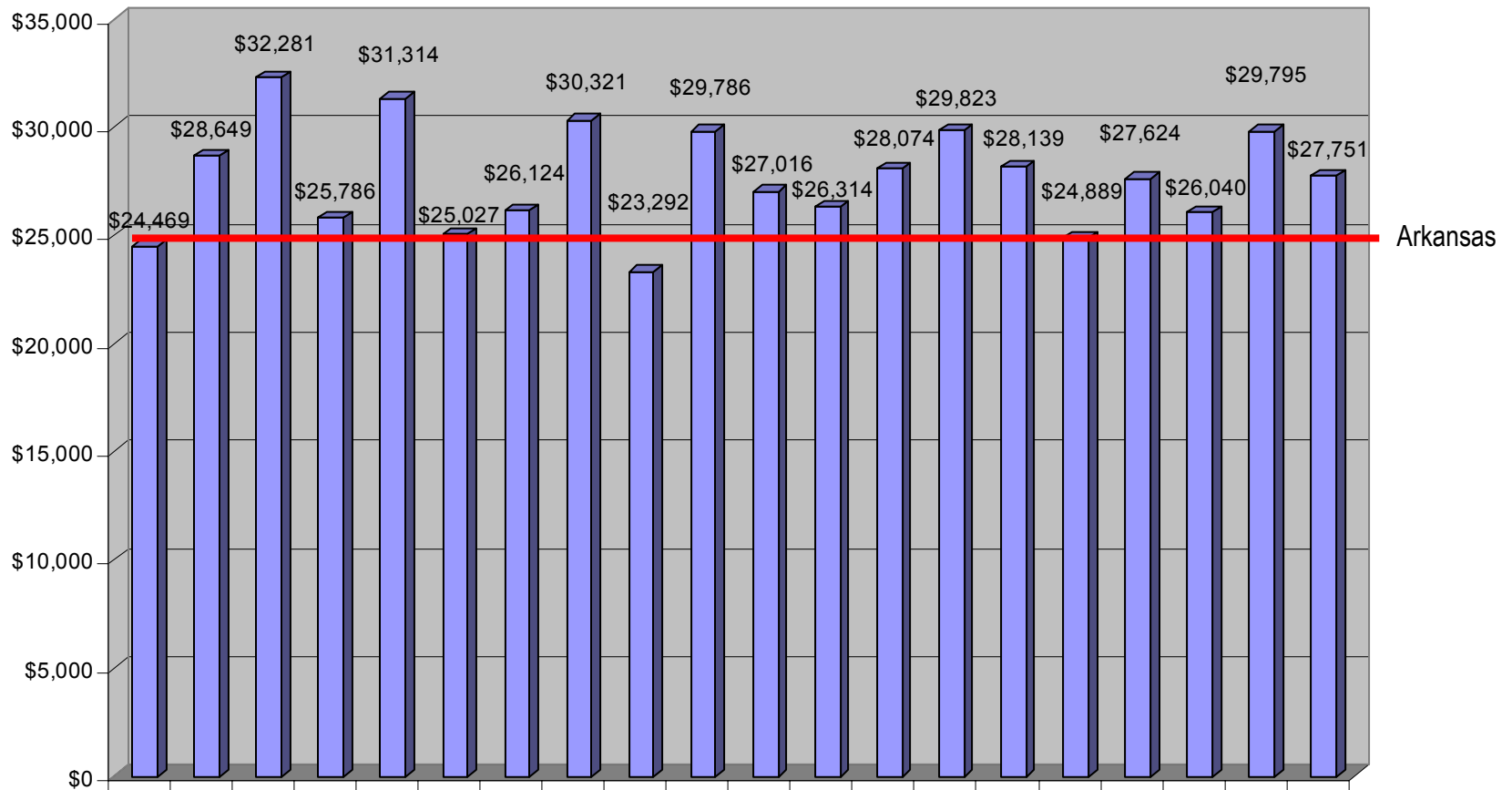


3. Gap Analysis: External Scan (Cont'd.)

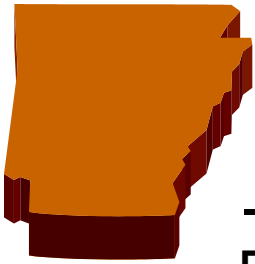
External Scan: How competitive is teacher pay (cont'd.)?

Graph 2: SREB Entry Salaries 2000-2001

AFT



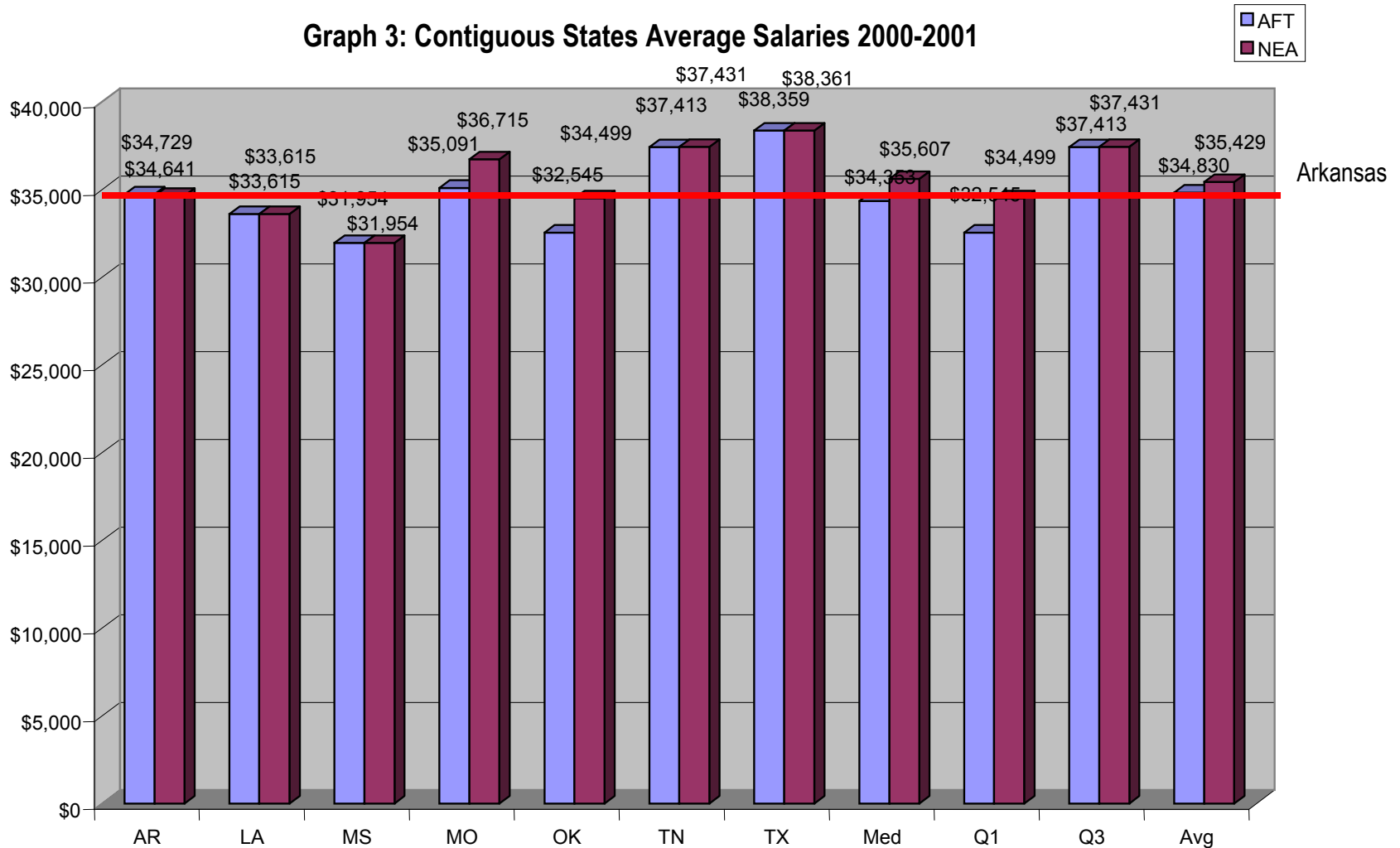
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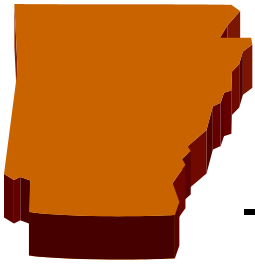
3. Gap Analysis: External Scan (Cont'd.)

External Scan: How competitive is teacher pay (cont'd.)?

Graph 3: Contiguous States Average Salaries 2000-2001



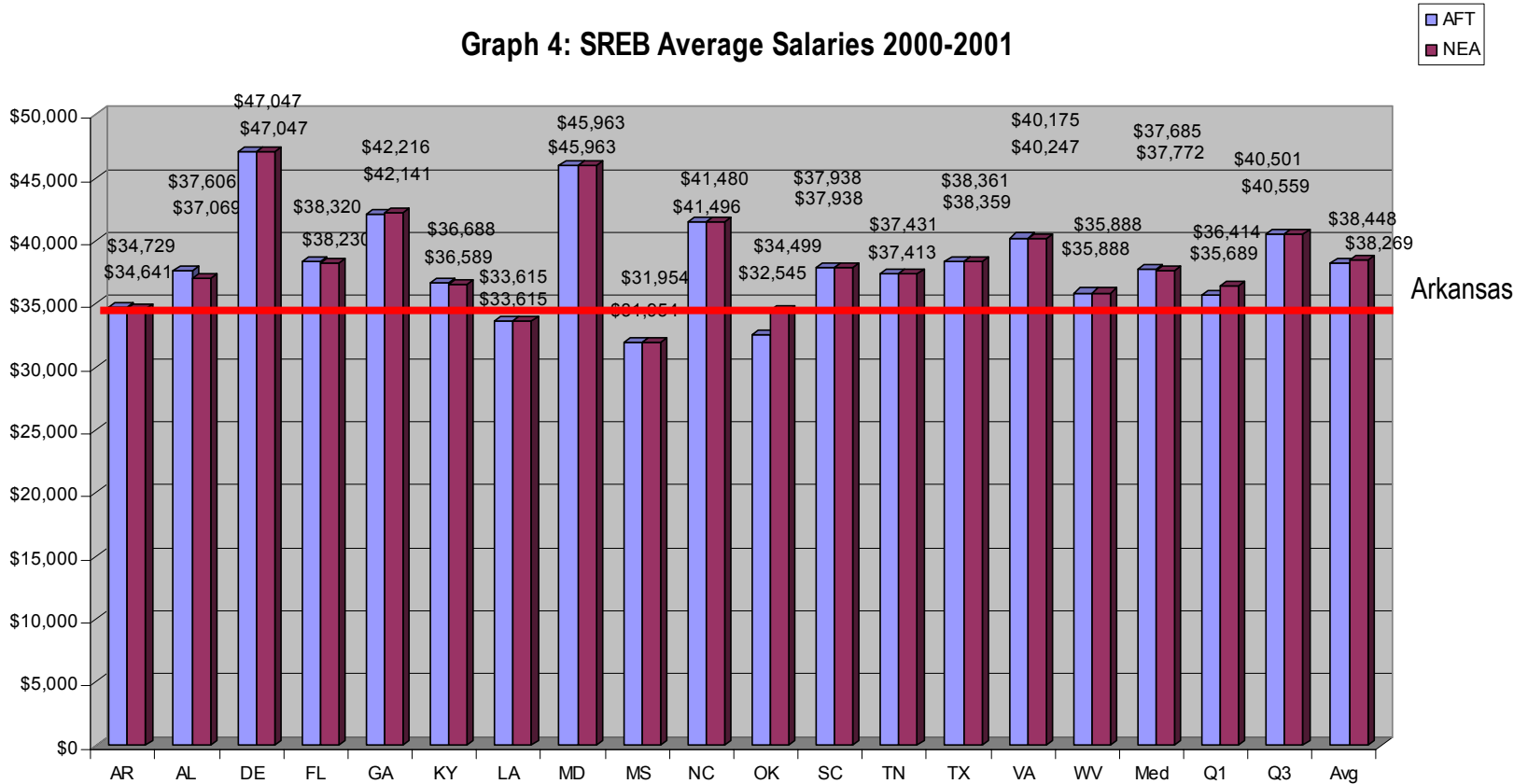
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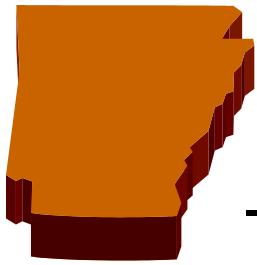


3. Gap Analysis: External Scan (Cont'd.)

External Scan: How competitive is teacher pay (cont'd.)?

Graph 4: SREB Average Salaries 2000-2001



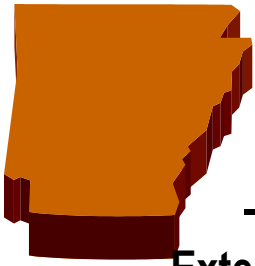


3. Gap Analysis: External Scan (Cont'd.)



External Scan: How competitive is teacher pay (cont'd.)?

Second, we “aged” the data to 2002-2003. Based on AFT trend data, we estimated that salaries increased 2.6% in each of the years 2000-2001 and 2001-2002.

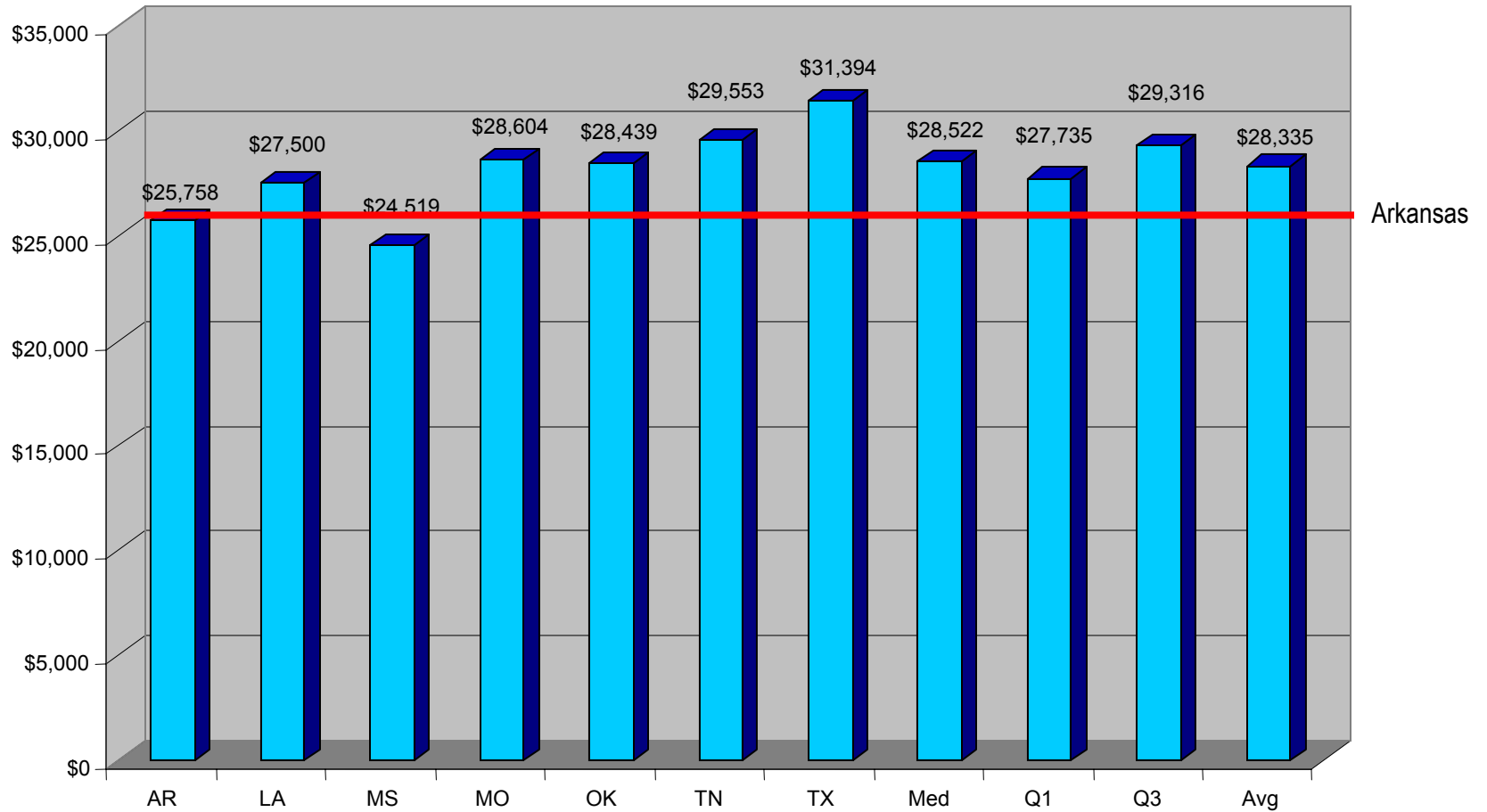


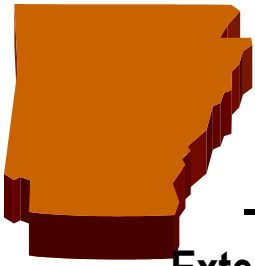
3. Gap Analysis: External Scan (Cont'd.)

External Scan: How competitive is teacher pay (cont'd.)?

Graph 5: Contiguous States Entry Salaries "Aged" to 2002-2003

AFT



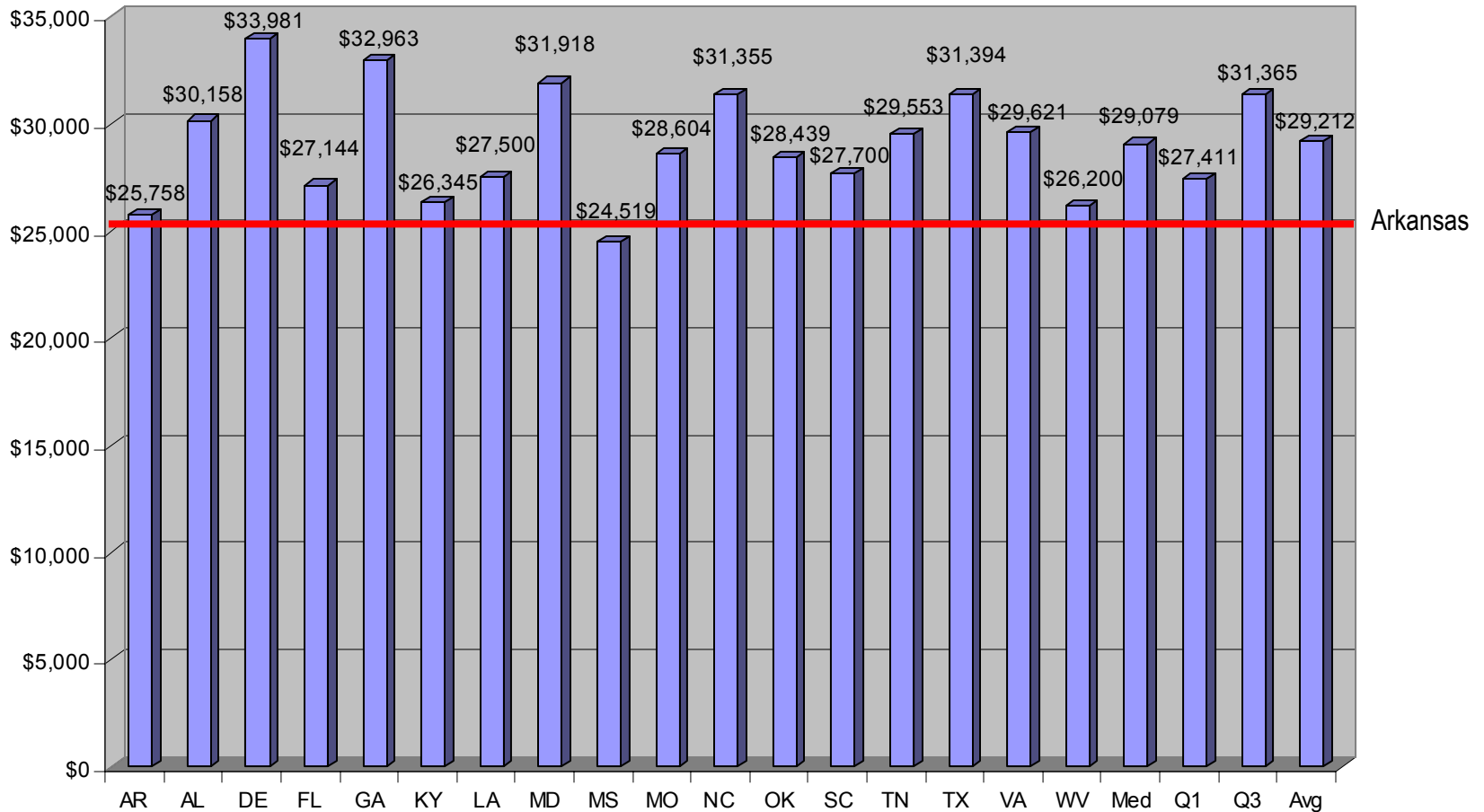


3. Gap Analysis: External Scan (Cont'd.)

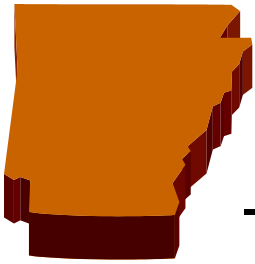
External Scan: How competitive is teacher pay (cont'd.)?

Graph 6: SREB Starting Salaries "Aged" to 2002-2003

AFT



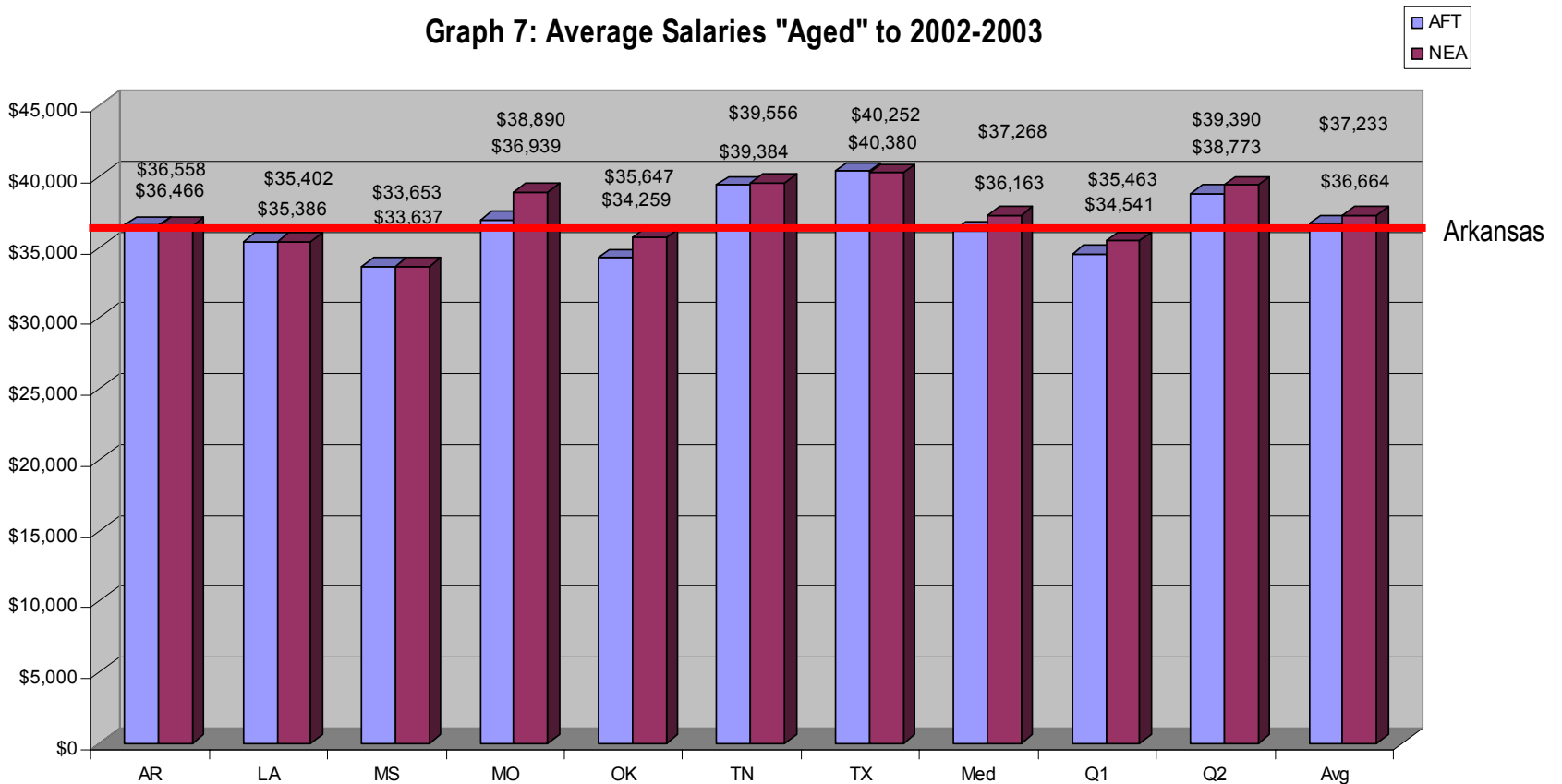
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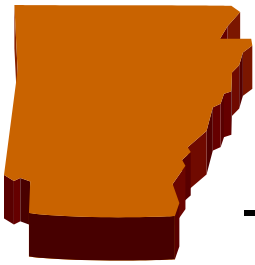
3. Gap Analysis: External Scan (Cont'd.)

External Scan: How competitive is teacher pay (cont'd.)?

Graph 7: Average Salaries "Aged" to 2002-2003



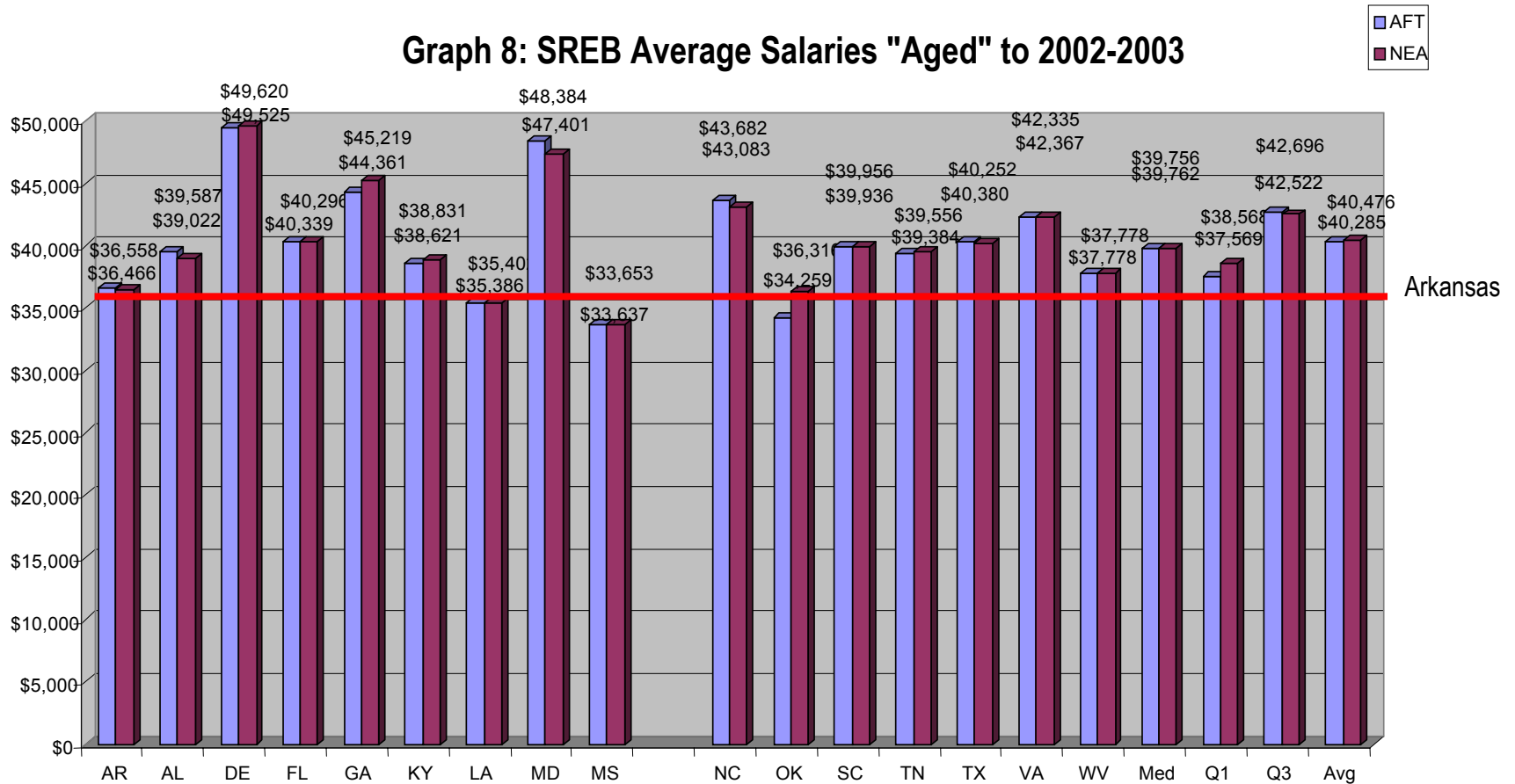
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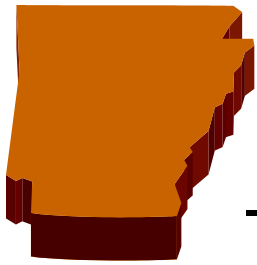
3. Gap Analysis: External Scan (Cont'd.)

External Scan: How competitive is teacher pay (cont'd.)?

Graph 8: SREB Average Salaries "Aged" to 2002-2003



Arkansas

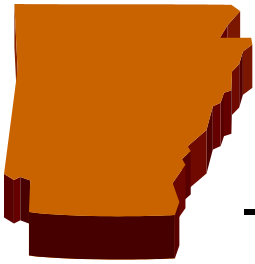


3. Gap Analysis: External Scan (Cont'd.)

External Scan: How competitive is teacher pay (cont'd.)?

We conclude...

Conclusion	Implication for Policy
1. Arkansas' average entry salary is below 5 of the 6 contiguous states and above Mississippi. Arkansas' average entry salary is below 13 of the SREB states, even with 2 (Kentucky and West Virginia), and ahead of Mississippi. This pattern holds true for 2000-2001 and 2002-2003 (Graphs 1,2,5,and 6).	Entry salaries are where we compete for new teacher talent. Arkansas has a competitive advantage only with respect to Mississippi. Note that we have not yet factored cost of living differentials (see next series of analyses).
2. Arkansas' 2002-2003 average entry salary is 93% of the first quartile of the six contiguous states and 96% of the first quartile of the SREB states, well below the average and median (Graphs 5 and 6).	A \$25,758 average entry salary is not competitive against these benchmarks.

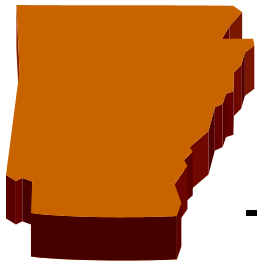


3. Gap Analysis: External Scan (Cont'd.)

External Scan: How competitive is teacher pay (cont'd.)?

We conclude...

Conclusion	Implication for Policy
<p>3. Arkansas' average salary is ahead of 3 of the contiguous states (Louisiana, Mississippi, Oklahoma) and behind 3 (Missouri, Tennessee, and Texas). Arkansas' average teacher salary is ahead of 3 SREB states (Louisiana, Mississippi, and Oklahoma), and behind 12 SREB states. (This pattern holds true for 2000-2001 and 2002-2003 (Graphs 2,4).</p>	<p>Average salaries are where we compete for to hold onto experienced teacher talent. Arkansas has a competitive advantage only with respect to Louisiana, Mississippi, and Oklahoma. Note that we have not yet factored cost of living differentials (see next series of analyses).</p>

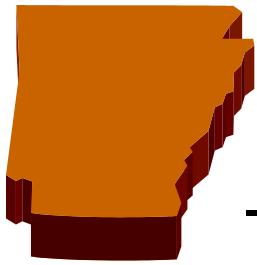


3. Gap Analysis: External Scan (Cont'd.)

External Scan: How competitive is teacher pay (cont'd.)?

We conclude...

Conclusion	Implication for Policy
<p>4. Arkansas' average salary is somewhat more competitive than entry, falling above the first quartile of the contiguous states and at the first quartile of the SREB states. The NEA Arkansas average of \$36,466 is 98% of the NEA average for the contiguous states (\$37,233) and only 90% of the NEA average for the SREB states (\$40,476).</p>	<p>Competitive positioning is a challenge both at entry level and average salaries.</p>

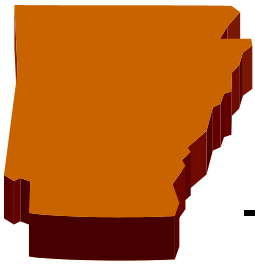


3. Gap Analysis: External Scan (Cont'd.)



External Scan: How competitive is teacher pay (cont'd.)?

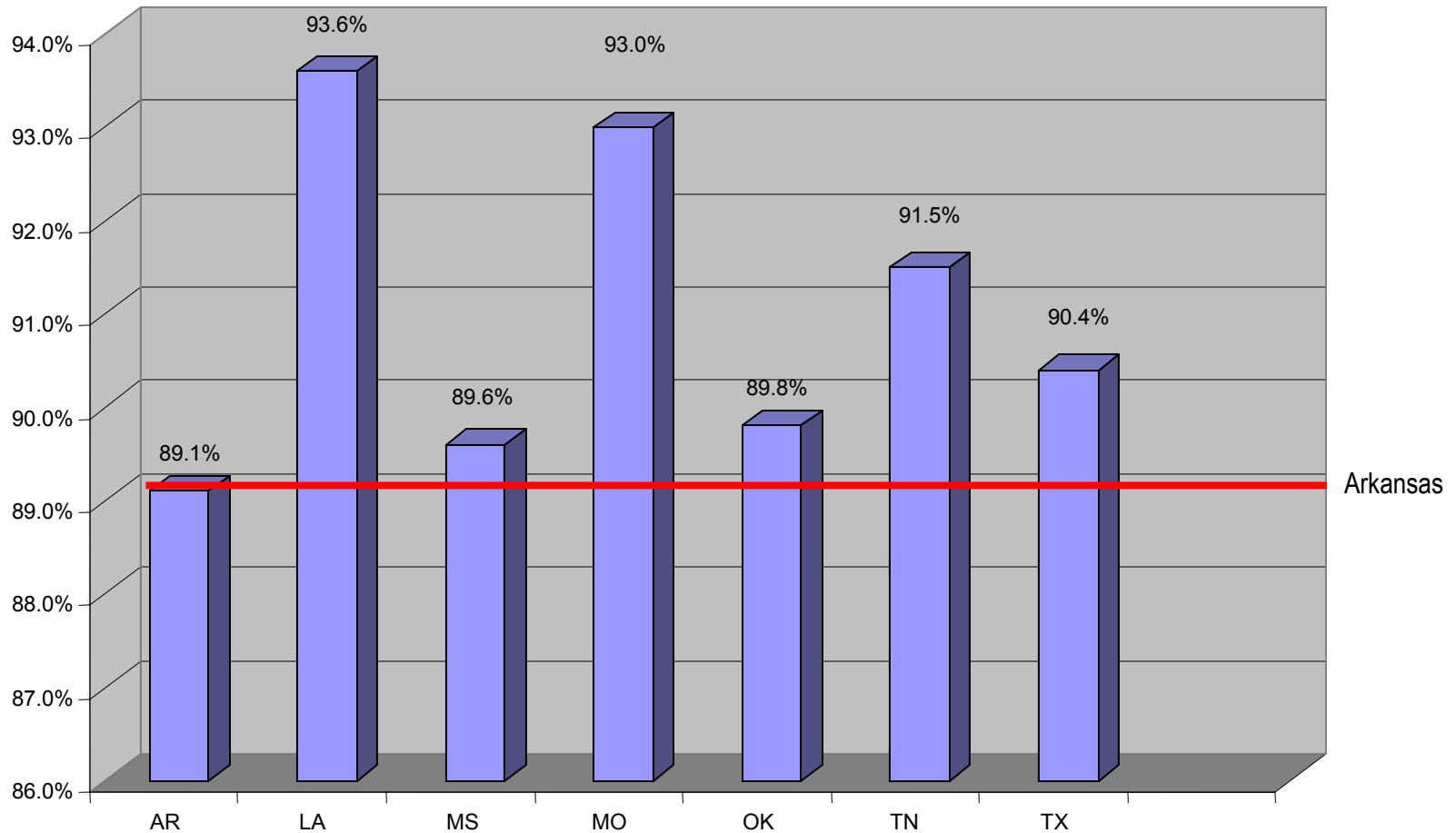
Finally, we used AFT data on state-to-state cost of living differentials to adjust the 2002-2003 data for cost of living (COL) variation between Arkansas and the benchmark states...

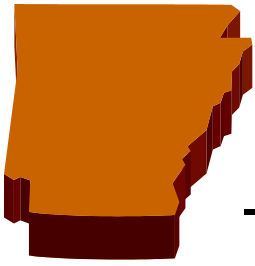


3. Gap Analysis: External Scan (Cont'd.)

External Scan: How competitive is teacher pay (cont'd.)?

Graph 9: Contiguous States Cost of Living Index - AFT

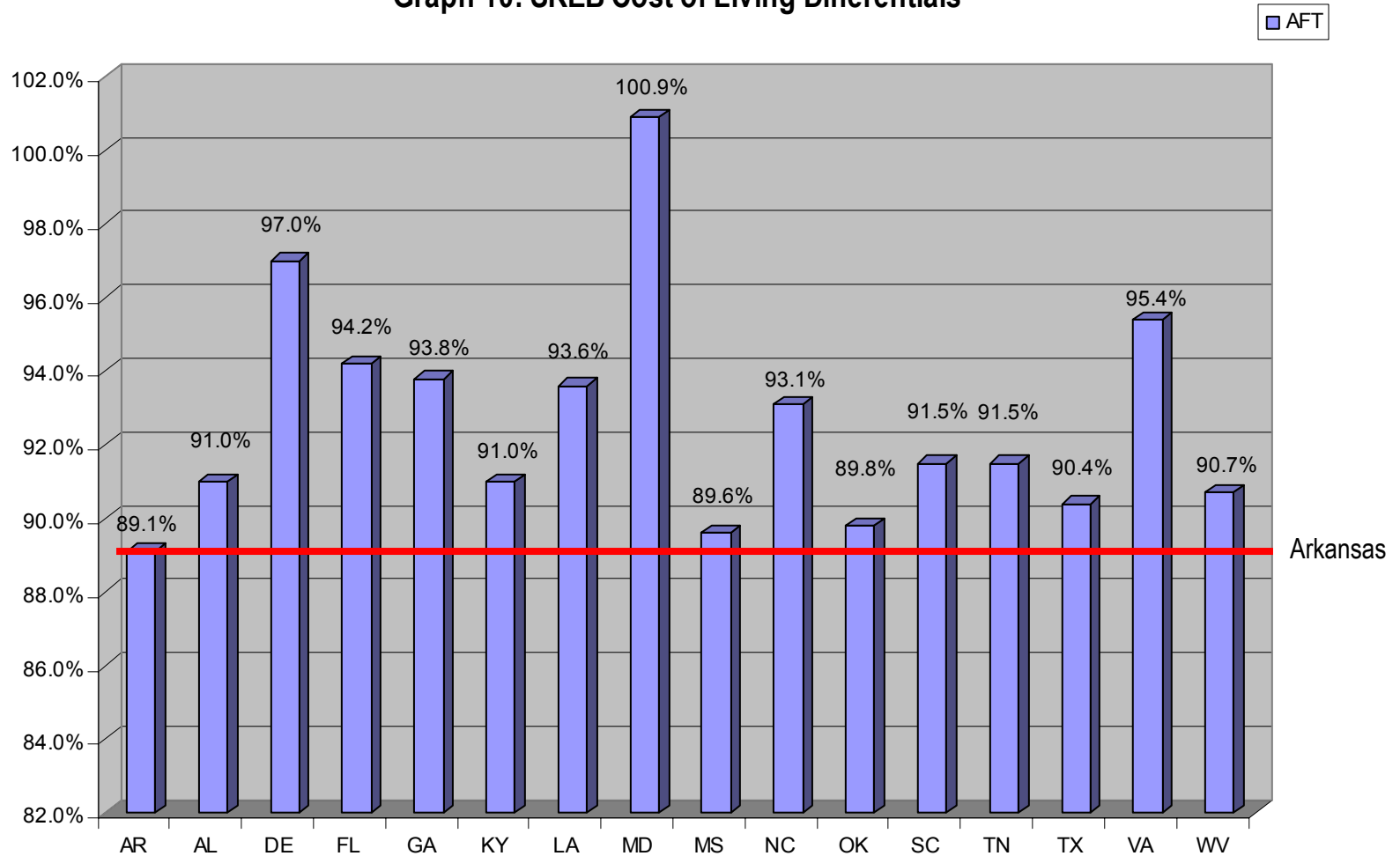




3. Gap Analysis: External Scan (Cont'd.)

External Scan: How competitive is teacher pay (cont'd.)?

Graph 10: SREB Cost of Living Differentials



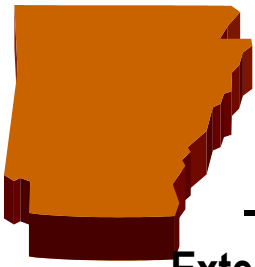


3. Gap Analysis: External Scan (Cont'd.)

External Scan: How competitive is teacher pay (cont'd.)?

We conclude...

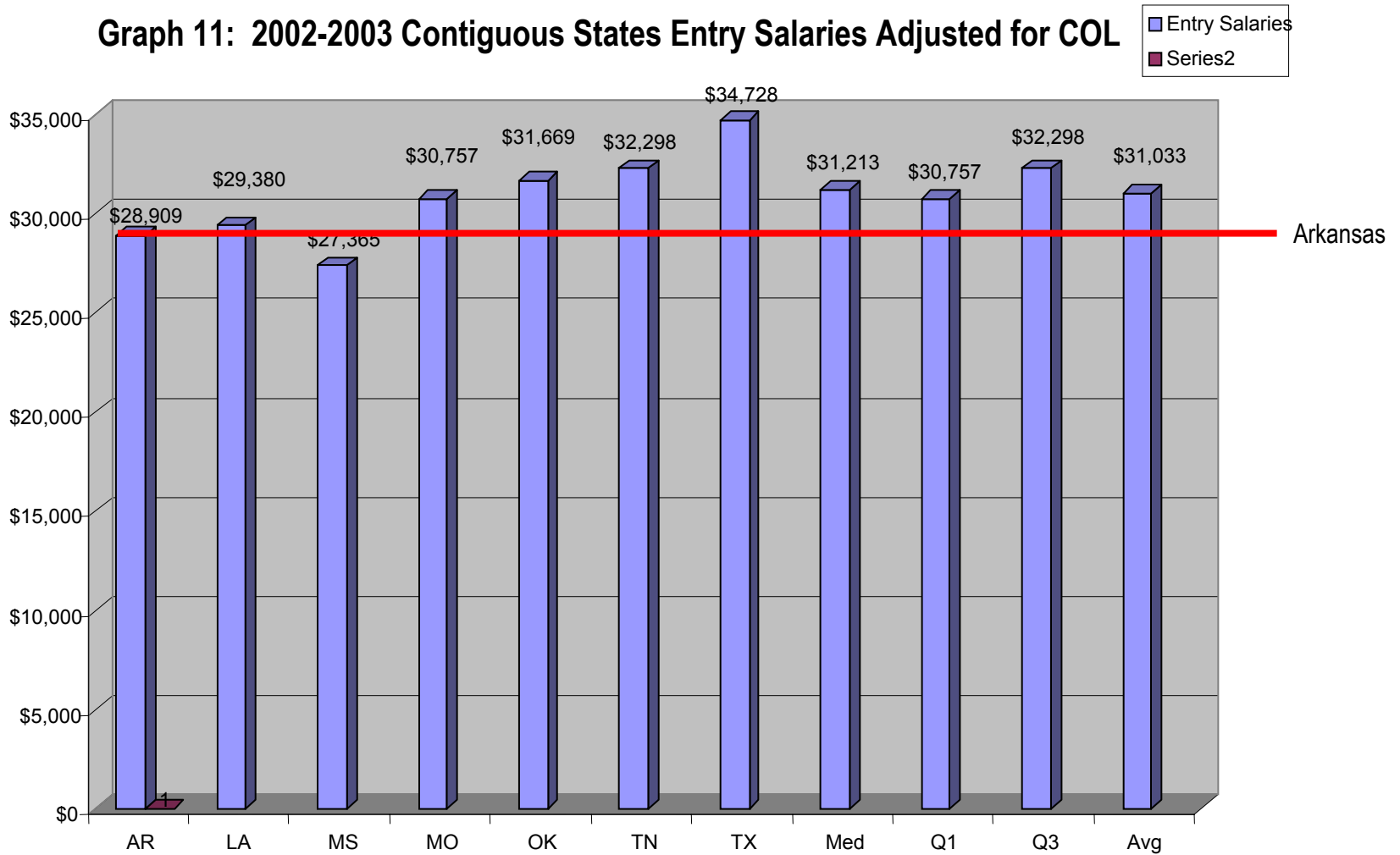
Conclusion	Implication for Policy
<p>5. The analysis presented in Graphs 9 and 10 suggests that COL differentials do make a difference. AFT data indicates that Arkansas has the lowest cost of living among the contiguous states (although close to Mississippi and Oklahoma) as well as the lowest among the SREB states.</p>	<p>There are clearly cost of living (COL) differentials between Arkansas and several of the key benchmark states. The importance one should place on such differentials in asking how competitive are we, however, is an “iffy” proposition. If an 11.8% point (100.9% – 89.1%) differential, for example, is likely to play heavily in a Maryland’s teacher’s decision to come to Arkansas (or vice versa for an Arkansas teacher), then it clearly makes sense to factor in COL. If not, then we are distorting the data. With this proviso, we looked at data adjusted for COL differentials.</p>

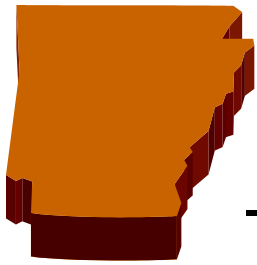


. Gap Analysis: External Scan (Cont'd.)

External Scan: How competitive is teacher pay (cont'd.)?

Graph 11: 2002-2003 Contiguous States Entry Salaries Adjusted for COL

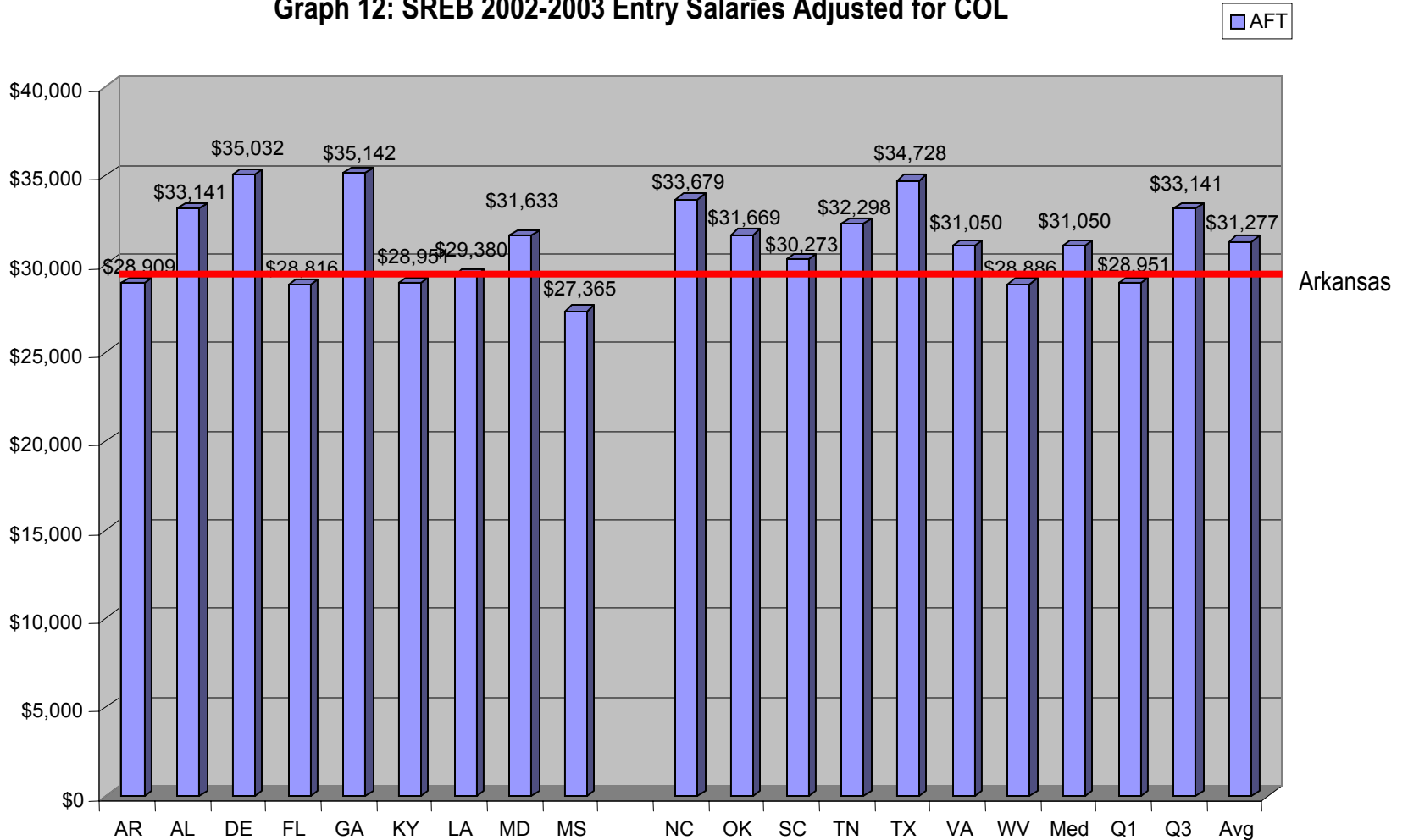




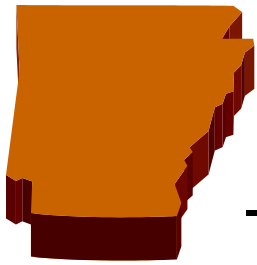
3. Gap Analysis: External Scan (Cont'd.)

External Scan: How competitive is teacher pay (cont'd.)?

Graph 12: SREB 2002-2003 Entry Salaries Adjusted for COL



Arkansas

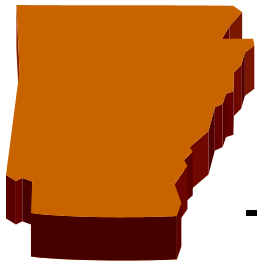


3. Gap Analysis: External Scan (Cont'd.)

External Scan: How competitive is teacher pay (cont'd.)?

We conclude...

Conclusion	Implication for Policy
<p>6. When one takes COL differentials into account, Arkansas' average entry salary becomes somewhat more competitive with respect to the contiguous states (but still behind Missouri, Oklahoma, Tennessee, and Texas among the contiguous states and behind 10 of the 15 comparative SREB states). Arkansas' average entry salary remains 93 % of the contiguous states (\$28,909/\$31,033) and 92 % of the SREB states (\$28,909/\$31,277).</p>	<p>Even when cost of living is factored in, Arkansas remains at a competitive disadvantage with its entry teacher salaries.</p>

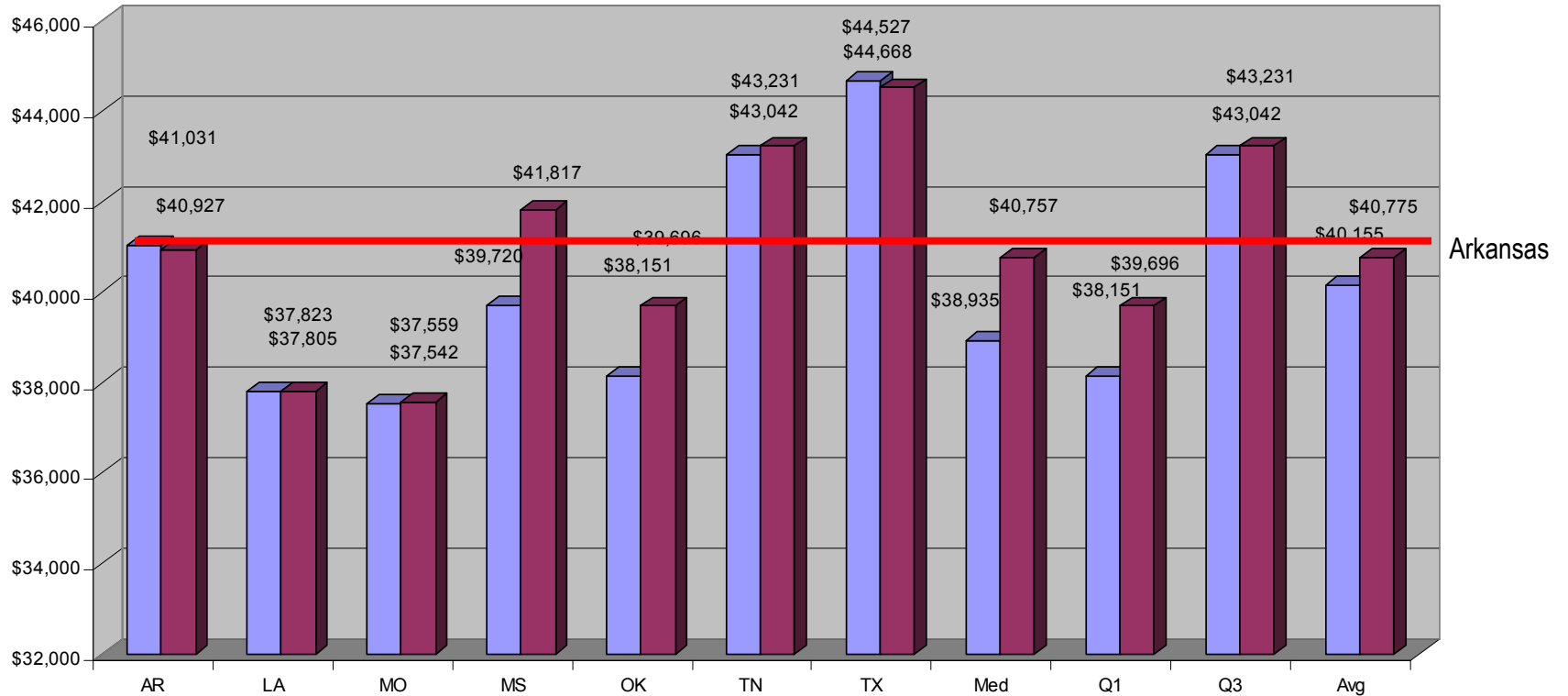


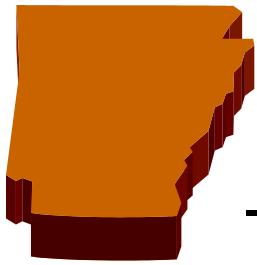
3. Gap Analysis: External Scan (Cont'd.)

External Scan: How competitive is teacher pay (cont'd.)?

Graph 13: 2002-2003 Salaries Adjusted for COLA

AFT
NEA

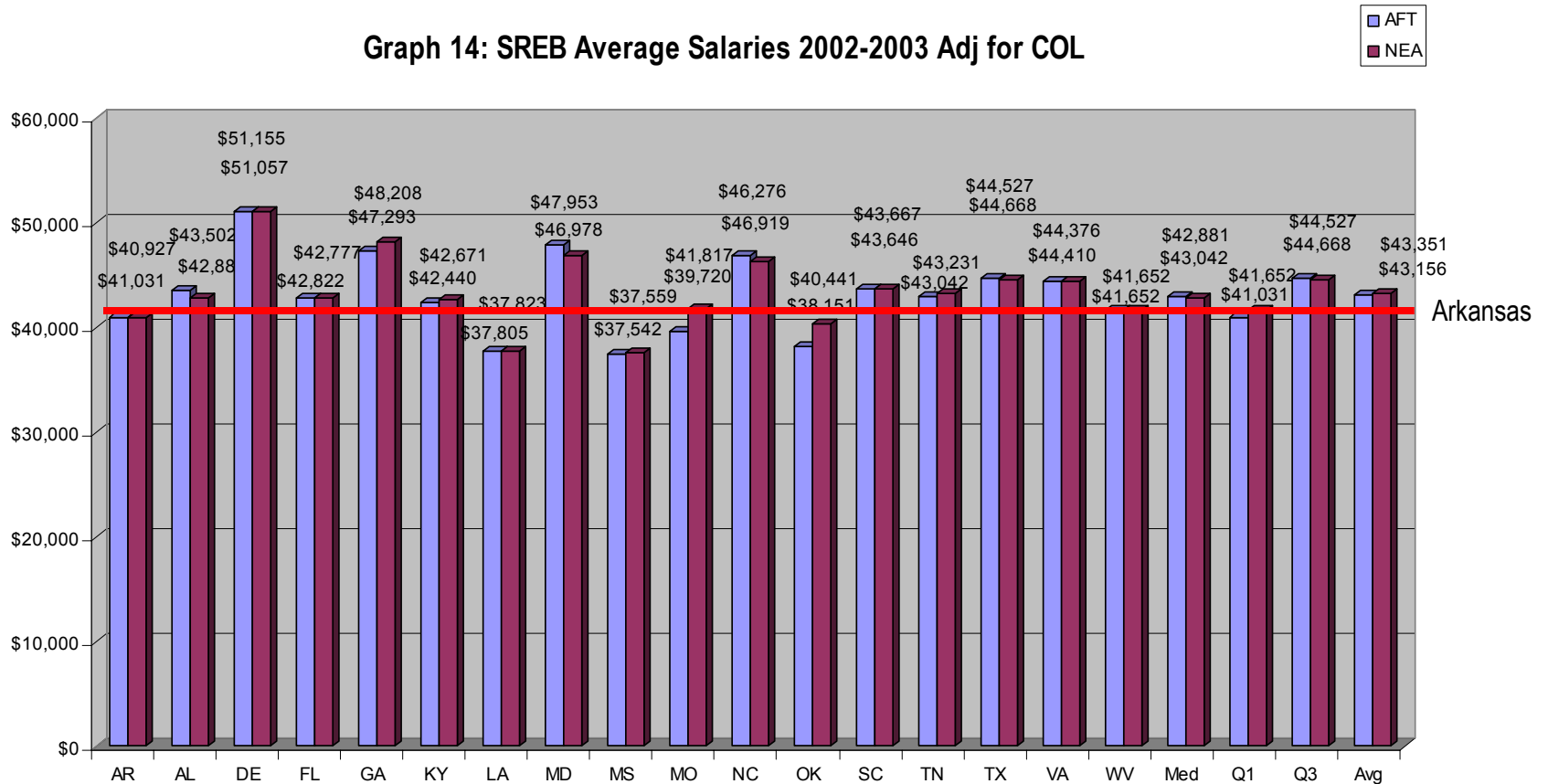


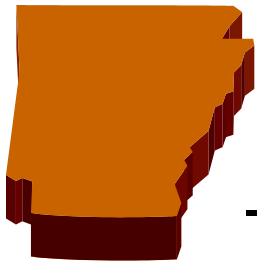


3. Gap Analysis: External Scan (Cont'd.)

External Scan: How competitive is teacher pay (cont'd.)?

Graph 14: SREB Average Salaries 2002-2003 Adj for COL



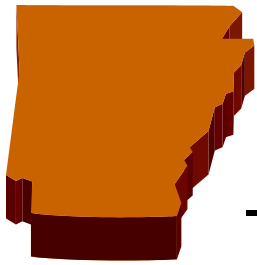


3. Gap Analysis: External Scan (Cont'd.)

External Scan: How competitive is teacher pay (cont'd.)?

We conclude...

Conclusion	Implication for Policy
<p>7. The NEA Arkansas average teacher salary adjusted for COL (\$ 40,927) is ahead of Louisiana, Missouri, and Oklahoma among the contiguous states and even with Florida, Oklahoma, and Kentucky among the SREB states. The NEA Arkansas average is 100% of the contiguous state average (\$40,927/\$40,775) and 95% of the average for the SREB states (\$40,927/\$43,351).</p>	<p>Our average teacher salary looks highly competitive compared to the contiguous states (104% above the average). We appear only to be at a disadvantage when competing against Tennessee and Texas among the contiguous states and Delaware, Georgia, North Carolina, Tennessee, Texas, and Virginia among the SREB states.</p>



3. Gap Analysis: External Scan (Cont'd.)

External Scan: How competitive is teacher pay (cont'd.)?

Other Occupation Comparisons

The Committee also compared teacher pay in Arkansas to competing employment opportunities outside the field of K12 education. The intent was to develop comparison with occupations that compete with teaching.

The Committee considered three criteria in choosing benchmark occupations:

1. Occupations that compete for teachers either at the entry level or for teachers leaving the profession.
2. Occupations that have equivalent job content and require similar skills and competencies to teaching.
3. Occupations that, on their face, appear to compete for teachers.



3. Gap Analysis: External Scan (Cont'd.)

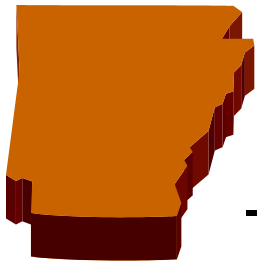
External Scan: How competitive is teacher pay (cont'd.)?

1. **Occupations that compete for teachers either at the entry level or for teachers leaving the profession – How well does Arkansas compete for new entrants?**

Our first analysis focused on occupations that compete with the market for K12 teachers for new market entrants. The National Association of Colleges and Employers (NACE) tracks entry offers in a variety of occupations within each of the fifty United States.

The Committee chose the following occupations for which data was available within Arkansas as benchmarks:

1. Agriculture and Natural Resources
2. Business
3. Computer/Information Technology
4. Engineering

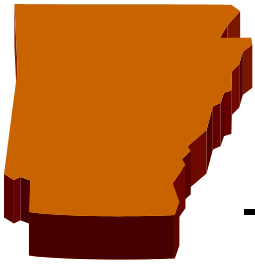


3. Gap Analysis: External Scan (Cont'd.)

External Scan: How competitive is teacher pay (cont'd.)?

5. Health and related occupations
6. Humanities and Social Sciences
7. Science and Math

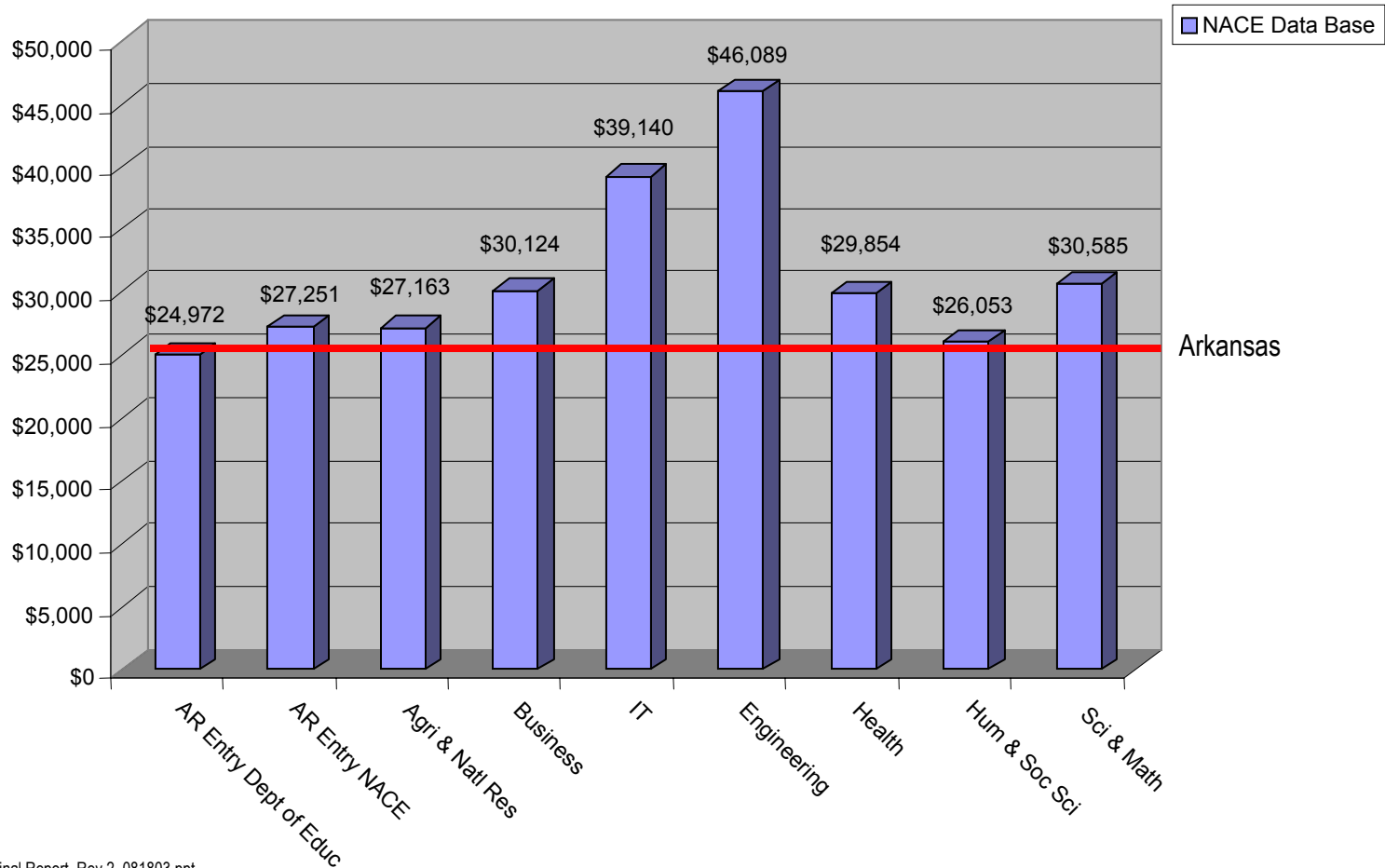
Graph 15 compares Arkansas entry teacher salary using Arkansas Department of Education and NACE data to each of the 7 non-teaching occupations.

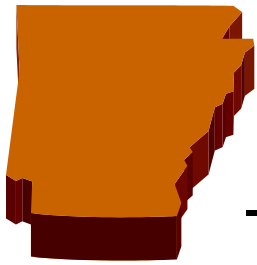


3. Gap Analysis: External Scan (Cont'd.)

External Scan: How competitive is teacher pay?

Graph 15: 2003 Entry Salary Comparison to Non-Teacher Occupations



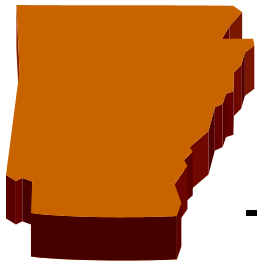


3. Gap Analysis: External Scan (Cont'd.)

External Scan: How competitive is teacher pay (cont'd.)?

We conclude...

Conclusion	Implication for Policy
<p>8. As assessed by NACE data, Arkansas' entry teacher offer of \$27,251 appears to be competitive with offers in Agriculture and Natural Resources and Humanities and Social Sciences. The NACE estimate is well behind offers in business, computers and IT, Health, and Science and Math.</p> <p>9. As assessed by the Arkansas Department of Education entry teacher offers fall behind all sectors except Humanities and Social Sciences.</p>	<p>Whether we compare entry teacher salaries to teachers in other state or to entry offers in most other comparison occupations, Arkansas is significantly below external market comparisons.</p>



3. Gap Analysis: External Scan (Cont'd.)

External Scan: How competitive is teacher pay (cont'd.)?

2. Occupations that have equivalent job content and require similar skills and competencies to teaching – How well does Arkansas compete for teachers?

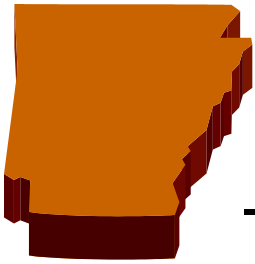
Our second analysis focused on two kinds of occupations: (1) those that represent similar tasks and activities to teaching and (2) those that require similar skills and competencies.

The Committee used the U.S. Department of Labor's O*NET occupational data base to identify these occupations and estimate average salaries. Based on over 30 years research, O*NET provides information for over 1,100 occupations and the data is broken down by state.

The analysis was as follows:

- ✓ We applied cluster analysis (a statistical method for finding groups) to General Work Activity (GWA) and Basic Cross Functional Skill (BCFS) ratings of the 350 occupations in O*Net that required a college degree or comparable education.

- ✓ The analysis identified 5 broad groups of occupations as similar to K-12 teachers in Arkansas.



3. Gap Analysis: External Scan (Cont'd.)

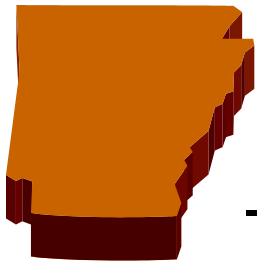
External Scan: How competitive is teacher pay (cont'd.)?

42 Generalized Work Activities (GWA)

- ✓ Are generic work behaviors such as evaluating information, teaching others, and operating vehicles of equipment.
- ✓ Ratings represent the pattern of different activities performed in different occupations and the overall complexity of the work performed.

46 Basic and Cross Functional Skills (BCFS)

- ✓ Are learned skills or competencies that apply to almost all occupations (i.e. reading comprehension, social perception, mathematics)
- ✓ Ratings represent the pattern of different skills needed by different occupations and the overall skill level of the occupation.



3. Gap Analysis: External Scan (Cont'd.)

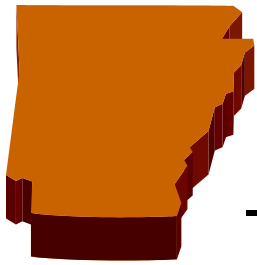
External Scan: How competitive is teacher pay (cont'd.)?

Occupations Similar to Teaching:

The cluster analysis identified five broad occupational groups similar to teachers in activities and skills:

1. Other types of teachers, including vocational teachers, adult education teachers, preschool teachers
2. College teachers
3. Occupations related to teaching: instructional coordinators, training specialists & managers, extension agents, librarians
4. Social workers, counselors, and psychologists
5. Health care occupations such as registered nurses, physical therapists, audiologists, nutritionists, and pharmacists.

Graph 16 on the next page compares AFT, NEA and O*NET estimates of Arkansas teacher salaries to other teaching-related occupations:

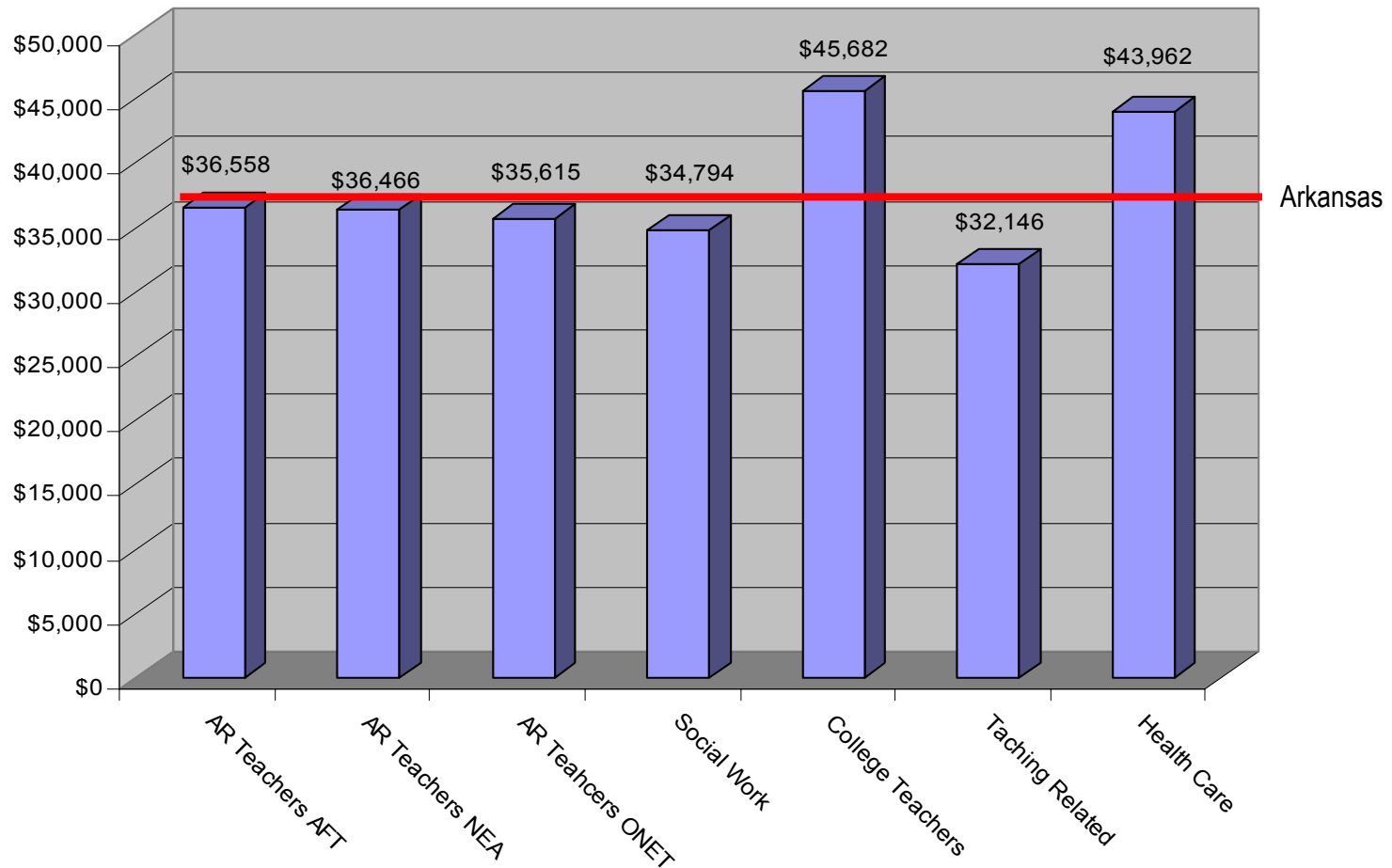


3. Gap Analysis: External Scan (Cont'd.)

External Scan: How competitive is teacher pay (cont'd.)?

Graph 16: 2003 Average Salary Comparison to Teaching-Related Occupations

ONET Data Base



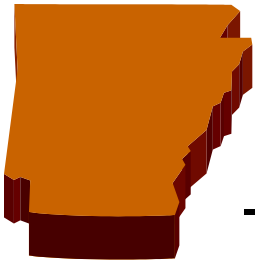


3. Gap Analysis: External Scan (Cont'd.)

External Scan: How competitive is teacher pay (cont'd.)?

We conclude...

Conclusion	Implication for Policy
<p>10. As assessed by AFT, NEA and O*NET data, Arkansas' average teacher salary is competitive with social work and teaching-related occupations. College teachers and health care employees earn significantly higher average salaries than Arkansas teachers.</p>	<p>As was the case when we compared Arkansas teachers to teachers in other states, average salaries for Arkansas teachers appear to be more competitive than the entry salaries. College teaching and health care opportunities, however, still represent a competitive threat for attracting teachers.</p>



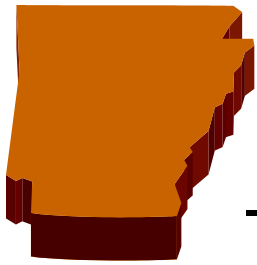
3. Gap Analysis: External Scan (Cont'd.)

External Scan: How competitive is teacher pay (cont'd.)?

2. Occupations that, on their face, appear to compete for teachers – How well does Arkansas compete for teachers?

Our third analysis focused on two kinds of occupations that, on their face, could represent competitive opportunities for teachers both at entry and more advanced levels.

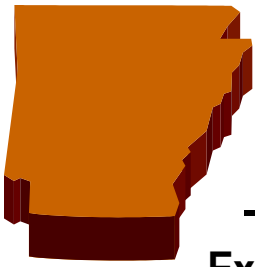
The Committee employed the U.S. Department of Labor's O*NET occupational data base for average salary information on the following five occupations in Arkansas:



3. Gap Analysis: External Scan (Cont'd.)

External Scan: How competitive is teacher pay (cont'd.)?

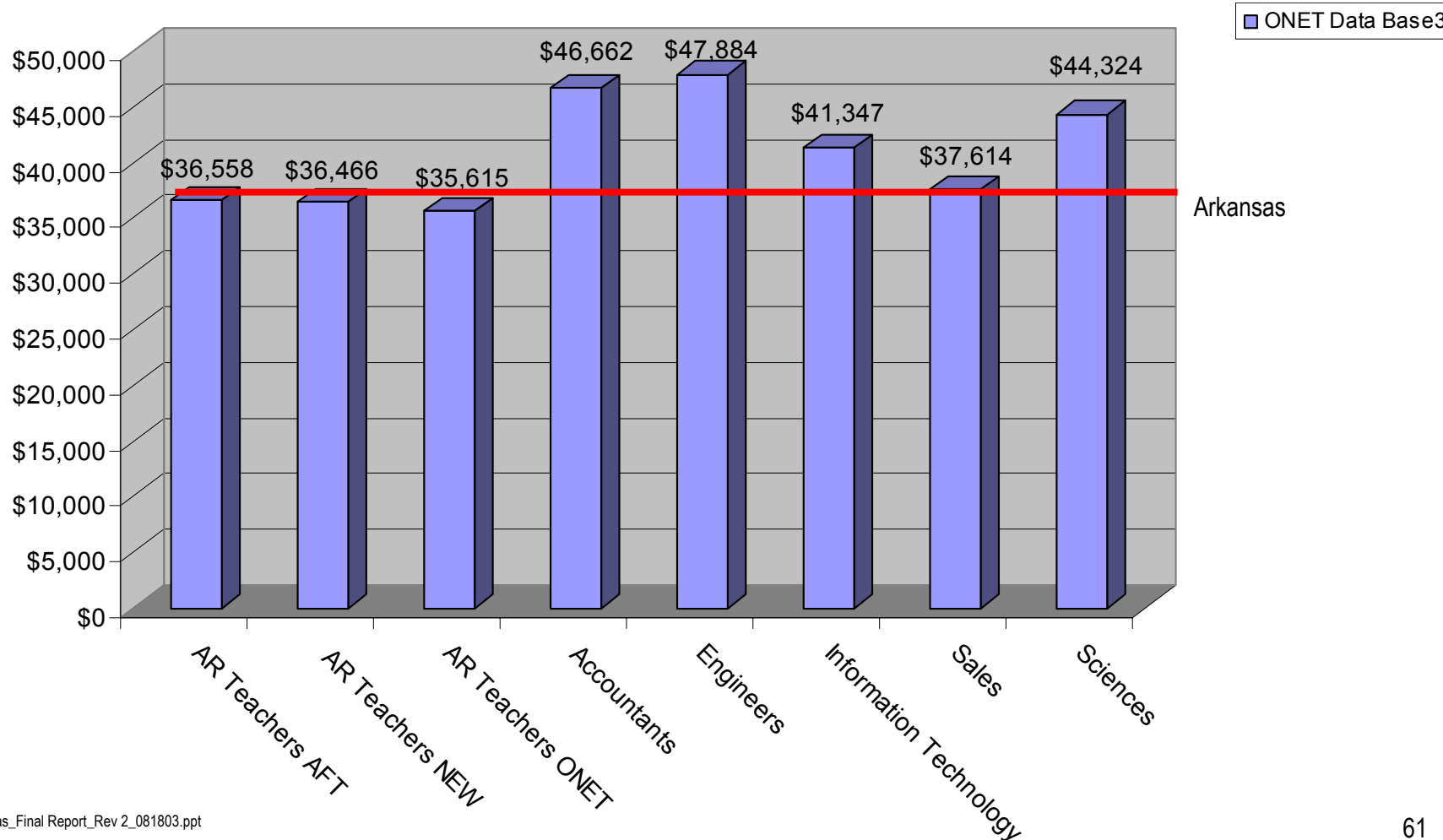
Occupation	Illustrative Jobs
1. Accountants	Accountants, auditors
2. Engineers	Engineers & related positions
3. Computer/Information Technology	Computer programmers, Computer Support Specialists, Computer Systems Analysts
4. Sales	Professional-level sales
5. Science	Agriculture and food scientists, biochemists and biophysicists, microbiologists, zoologists and wildlife biologists, conservation scientists, foresters, medical scientists (except epidemiologists) atmospheric and space scientists, chemists, environmental scientists and specialists (including health)

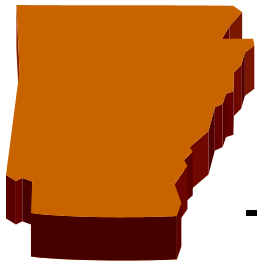


3. Gap Analysis: External Scan (Cont'd.)

External Scan: How competitive is teacher pay (cont'd.)?

Graph 17: 2003 Average Salary Comparison to Similarly Skilled Occupations



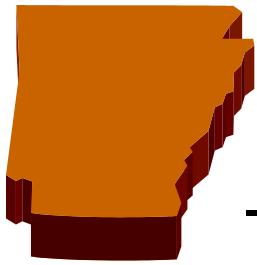


3. Gap Analysis: External Scan (Cont'd.)

External Scan: How competitive is teacher pay (cont'd.)?

We conclude...

Conclusion	Implication for Policy
<p>11. As assessed by AFT, NEA and O*NET data, Arkansas' average teacher salary is reasonably competitive with sales. Arkansas average teacher salaries, however, fall well below those of accountants, engineers, information technology jobs and those in the sciences.</p>	<p>To the extent that occupations such as accounting or engineering compete for teachers (or graduates considering teaching), Arkansas is at a disadvantage given the average salary for teachers.</p>



3. Gap Analysis: External Scan (Cont'd.)

External Scan: How competitive is teacher pay (cont'd.)?

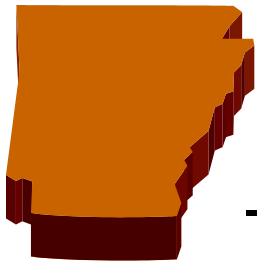
Some Final Thoughts on the External Scan

The Committee's competitive analysis shows that Arkansas' entry level teacher salaries (even when adjusted for cost of living) lag behind those of competing states. This finding is reinforced when entry teacher salaries are compared to offers in competing occupations (the NACE analysis).

The news is a little better, but not much, when considering average teacher salaries. Arkansas teacher salaries lag behind those in 3 of the 6 contiguous states and behind 12 of the 15 SREB states.

The Committee believes that the data raises several critical issues regarding the adequacy of teacher compensation in Arkansas:

1. Improving entry level and average teacher pay, and
2. Improving teacher pay with respect to selected occupations that compete for teachers in Arkansas (especially where we have critical subject area shortages).



3. Gap Analysis: External Scan (Cont'd.)

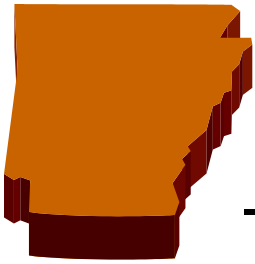
External Scan: How competitive is teacher pay (cont'd.)?

Some Final Thoughts on the External Scan (Cont'd.)

Finally, Arkansas has a wonderful opportunity to make its teacher pay system even better by exploring ways to link pay to performance. Capitalizing on this opportunity will provide Arkansas the following benefits:

- ✓ Even stronger ability to attract and retain highly skilled teachers in the future;
- ✓ Improved student performance enabled by more highly skilled long term teachers;
- ✓ Making Arkansas the continued place of choice for teachers because of its high student achievement record.

The Committee strongly recommends that individual districts conduct the competitive analyses we have just examined by comparing themselves as districts to competing districts within Arkansas.



3. Gap Analysis – External Scan

Salary Increase Recommendation

The Committee's external scan concluded that Arkansas teacher salaries were behind competitive benchmarks when compared to Arkansas' contiguous states and the SREB states (see Exhibit #1 on page 66). The difference is especially pronounced at the entry salary level where Arkansas lags the contiguous states by 10% and the SREB states by 13.4%.

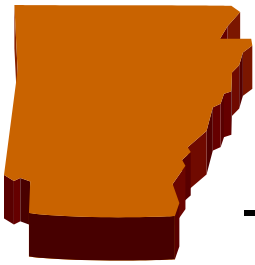


3. Gap Analysis – External Scan

Exhibit 1: Competitive Comparison of Arkansas Teacher Salaries 2002-2003

	Entry Salary		
	Entry. Salary	Dif	Pct
Arkansas Avg	\$25,758		
Contig. State Avg	\$28,335	\$2,577	10.0%
SREB Avg	\$29,212	\$3,454	13.4%

	Average Salary		
	Avg. Salary	Dif	Pct
Arkansas Avg	\$36,466		
Contig. State Avg	\$37,233	\$768	2.1%
SREB Avg	\$40,476	\$4,010	11.0%



3. Gap Analysis – External Scan

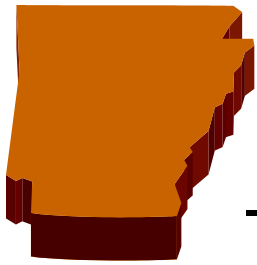
Salary Increase Recommendation (Cont'd.)

The Committee recommends that Arkansas bring teacher salaries at the entry level and average level up to that of the SREB states. Such an adjustment would require a 13.4 % increase to the entry salary level and 11.0% increase to the average teacher salary level.

We estimate that teacher salaries will need to be raised overall by 15% to be competitive.

Bringing Arkansas salaries to SREB averages accomplishes two benefits:

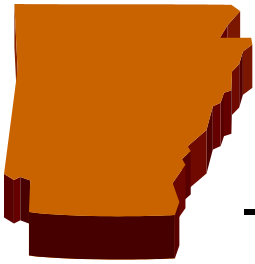
1. Arkansas will have a competitive edge over the contiguous states at entry (3.0%) and at average (8.0%) – see Exhibit 2 on the following page.
2. The additional money in the funding for teacher salaries will allow for (a) more rapid career movement in teacher pay under the knowledge and Skill Based Pay (KSBP) program, (b) adders for subject area shortages and (c) adders for geographical shortages.



3. Gap Analysis – External Scan

Exhibit 2: Recommended Arkansas Teacher Salary Position 2002-2003

	Entry Salary		
	Entry. Salary	Dif	Pct
Arkansas Avg	\$29,212		
Contig. State Avg	\$28,335	-\$877	-3.0%
SREB Avg	\$29,212	\$0	0.0%
	Average Salary		
	Avg. Salary	Dif	Pct
Arkansas Avg	\$40,476		
Contig. State Avg	\$37,233	-\$3,243	-8.0%
SREB Avg	\$40,476	\$0	0.0%



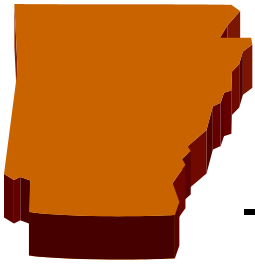
3. Gap Analysis – External Scan

Cost of the Recommendation

The Committee estimates that the cost of bringing entry salaries to SREB average entry salaries as well as our average teacher salary to the SREB average, to allow more rapid growth up the salary scale, and to provide “adders” for subject area and geographical shortages, will require an increase of 15%. Such an increase will be necessary to:

1. Bring Arkansas teacher salaries up to SREB levels and provide a competitive edge over Arkansas’s contiguous states.
2. Allow for acceleration of teachers through the salary schedule because of KSBP qualification.
3. Allow for the funding of adders for critical subject area shortages and geographical shortages.

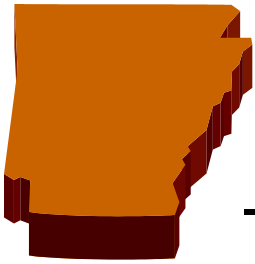
The Committee estimates that the cost of a 15% increase in teacher salaries will be \$277 million.



3. Gap Analysis – External Scan

Phasing In The Recommendation

The Committee recognizes that the full 15% adjustment may have to be phased in over several years. One strategy would be to phase the 10% necessary to bring Arkansas teacher salaries to the SREB average quickly, in the next two years. The balance of the 5% could be phased in during subsequent years.

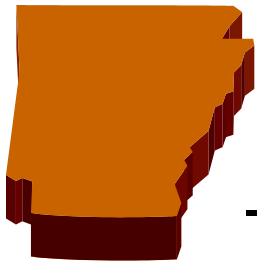


3. Gap Analysis – External Scan

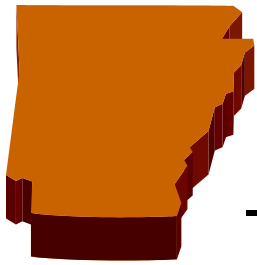
Benefit of the Recommendation

Reaching parity at entry and average teacher salaries with the SREB states will:

- ✓ Allow Arkansas to compete effectively for new teachers
- ✓ Provide an incentive for teachers to stay in Arkansas
- ✓ Provide a competitive edge of 3.0% for competing against contiguous states for entry level teachers
- ✓ Provide a significant edge of 8% for competition against the contiguous states for mid career teachers.



4. Gap Analysis – Internal Scan



4. Gap Analysis – Internal Scan

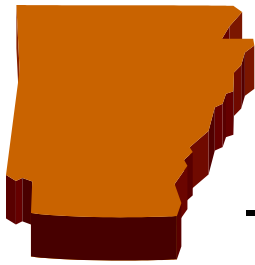
Teacher Salary Schedule - Compensation Objective

Arkansas' compensation strategy calls for the following message regarding teacher salary progression: "Salary advances are based on acquiring, using and demonstrating knowledge and skills that increase instructional effectiveness leading to improved student learning."

We envision base pay level operating as follows: "Salary progression is linked to career level advancement defined by the acquisition and demonstration of those skills, educational attainment, and experience that determine instructional effectiveness."

Finding

Exhibit 3 on the following page displays a "composite" minimum teacher schedule that would meet the SREB averages. The "composite" schedule meets the objective of competing effectively with benchmark states on teacher pay. It does not, however, provide any incentive for teachers to acquire and use those skills demonstrated to result in improved student learning. Rather, the current single salary schedule simply rewards time in the system (the "steps") and educational credentials – neither of which have been demonstrated to lead directly to student learning.



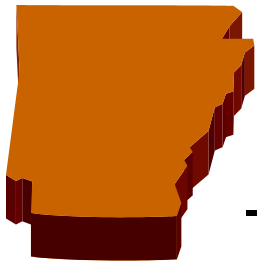
4. Gap Analysis – Internal Scan (Cont’d.)

Exhibit 3: Minimum Teacher Salary Schedule Meeting SREB Averages

“Composite” Teacher Salary Schedule Arkansas School Districts

Arkansas's school districts have an average of 21 steps and 5 lanes. If we were to match the SREB entry and average teachers salaries at BA Step 1 and MA Step 13, the minimum teacher salary schedule would be as follows:

Step	Degree				
	BA	BA+15	MA	MA+30	MA+60/Doc
1	\$29,000	\$30,450	\$31,973	\$33,571	\$35,250
2	\$29,580	\$31,059	\$32,612	\$34,243	\$35,955
3	\$30,172	\$31,680	\$33,264	\$34,927	\$36,674
4	\$30,775	\$32,314	\$33,929	\$35,626	\$37,407
5	\$31,391	\$32,960	\$34,608	\$36,338	\$38,155
6	\$32,018	\$33,619	\$35,300	\$37,065	\$38,918
7	\$32,659	\$34,292	\$36,006	\$37,807	\$39,697
8	\$33,312	\$34,977	\$36,726	\$38,563	\$40,491
9	\$33,978	\$35,677	\$37,461	\$39,334	\$41,301
10	\$34,658	\$36,391	\$38,210	\$40,121	\$42,127
11	\$35,351	\$37,118	\$38,974	\$40,923	\$42,969
12	\$36,058	\$37,861	\$39,754	\$41,741	\$43,829
13	\$36,779	\$38,618	\$40,549	\$42,576	\$44,705
14	\$37,515	\$39,390	\$41,360	\$43,428	\$45,599
15	\$38,265	\$40,178	\$42,187	\$44,296	\$46,511
16	\$39,030	\$40,982	\$43,031	\$45,182	\$47,441
17	\$39,811	\$41,801	\$43,891	\$46,086	\$48,390
18	\$40,607	\$42,637	\$44,769	\$47,008	\$49,358
19	\$41,419	\$43,490	\$45,665	\$47,948	\$50,345
20	\$42,248	\$44,360	\$46,578	\$48,907	\$51,352
21	\$43,092	\$45,247	\$47,509	\$49,885	\$52,379



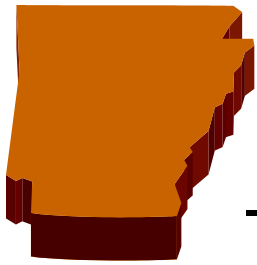
4. Gap Analysis – Internal Scan (Cont'd.)

The Committee's Recommendation

The Committee recommends that Arkansas adopt a Knowledge and Skills-Based Pay (KSBP) teachers salary schedule, lined up with the SREB market benchmarks, illustrated in Exhibit 4 on page 76.

Such a schedule creates direct incentives for teachers to acquire and use those skills that will lead directly to improved student learning.

Note that the schedule proposed here is the product of two adjustments: (1) the adjustment we recommend to bring teacher salaries to the SREB average (11 % on average) and (2) the adjustment in salary (3%) to reflect the five additional days in the teachers' assignment.



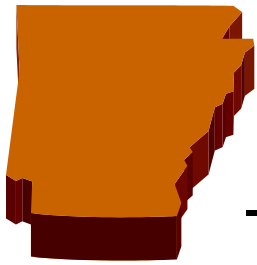
4. Gap Analysis – Internal Scan (Cont'd.)

Exhibit 4 –Arkansas KSBP Schedule – Tied to SREB Pay Levels

Committee's KSBP Recommendation

Skill Level	Step Within Level	Salary	Percent Step	Dollar Step	SREB
Entry (Probationary)	1	\$29,000			\$29,034 Entry SREB
	2	\$29,580	2.0%		
	3	\$30,172	2.0%		
Emerging Career	1	\$33,038	9.5%		
	2	\$33,699	2.0%		
	3	\$34,373	2.0%		
Career	1	\$37,638	9.5%		
	2	\$38,391	2.0%		
	2	\$39,159	2.0%		
	4	\$39,942	2.0%		
Master	1	\$43,736	9.5%		\$40,509 Avg SREB
	2	\$44,611	2.0%		
	3	\$45,503	2.0%		\$42,367 Q3 SREB
	4	\$46,413	2.0%		
Arkansas Fellow	1	\$50,823	9.5%		\$46,310 90th Pct SREB

Percent Increase for Skill Level	9.5%
Percent Increase for Steps	2.0%
Adder for Subject Area Shortage	4.6%
Adjustment for Geographical Shortage	5.0%
Adder for MA and MA30	5.0%



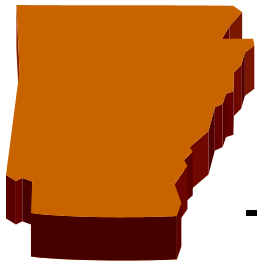
4. Gap Analysis – Internal Scan (Cont'd.)



Major Features of the KSBP Schedule

The KSBP salary schedule contain several key innovations:

Innovation	Benefit for Arkansas
1. The number of annual steps in the schedule are compressed from an average of 21 to 14 (excluding the Arkansas Fellow skill level).	Compressed steps mean that teachers can achieve career high salaries more rapidly (in this case, twice as quickly) than under current schedules. The compression will make Arkansas competitive with respect to surrounding states.
2. Skill levels are much bigger than annual steps within levels (9.5% versus 2.0%).	9.5% increments associated with skill levels create a strong incentive for teachers to develop and use those skills that we know lead to improved student performance. They send a message that the way to get ahead is not through annual steps but through the skill system.

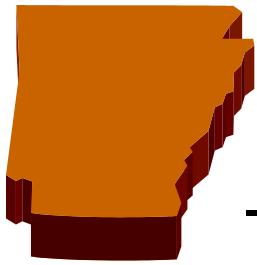


4. Gap Analysis – Internal Scan (Cont'd.)



Major Features of the KSBP Schedule (Cont'd.)

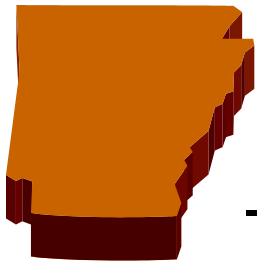
Innovation	Benefit for Arkansas
<p>3. A teacher can “fast track” by completing skill levels and bypassing pay steps. For example, a teacher achieving the Emerging Career Skill Level, Step 2, might advance to Step 1 of the Career Level after Step 2 of the Emerging Career Level, rather than waiting till Step 3 or 4.</p>	<p>Fast tracking creates a strong incentive for teachers to acquire and use the skills that will lead to improved student achievement.</p>
<p>4. The KSBP schedule creates a win/win for teachers and for Arkansas.</p>	<p>Teachers get to move up in pay more quickly while Arkansas achieves pay level competitiveness and benefits from the increases in teacher skills and knowledge – accountability through pay for performance.</p>



4. Gap Analysis – Internal Scan (Cont'd.)

Major Features of the KSBP Schedule (Cont'd.)

Innovation	Benefit for Arkansas
5. The KSBP contains an adder to reflect subject area shortages. The adder was made by taking $\frac{1}{2}$ the percentage differential between Arkansas average teacher salary (brought up to the 2002-2003 SREB average) and the average of the average salary for college teachers, health occupations, accountants, engineers, and information technology.	The adder improves Arkansas' ability to attract and retain teachers in critical skills areas.
6. The Geographical Shortage adder allows us to adjust the schedule to compensate teachers to locate in hard to place areas (both urban and rural).	The Geographical Shortage adder contributes to creating a level playing field among Arkansas' school districts for attracting and retaining teachers.

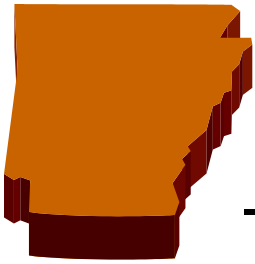


4. Gap Analysis – Internal Scan (Cont'd.)



Major Features of the KSBP Schedule (Cont'd.)

Innovation	Benefit for Arkansas
<p>7. The KSBP schedule contains an adder for degree achievement (similar to the current schedule's lanes). We recommend an increment of 5% of a teacher's base salary for such adjustments.</p>	<p>The new schedule retains a part of the current schedule's pay for degree credit achievement.</p>
<p>8. Arkansas' current policy of reimbursing the cost and paying an additional bonus for National Board Certification will remain in effect and operate in the same way it always has.</p>	<p>Teachers have an incentive to become Board certified.</p>



4. Gap Analysis – Internal Scan (Cont'd.)



KSBP and New Salary Schedule Benefits:

If KSBP works we can document...

- ✓ Increased teacher access to professional development opportunities to learn new instructional practices
- ✓ Increased teacher motivation to learn and use the new instructional practices
- ✓ Improved instructional practice
- ✓ Linkages between higher teacher performance as measured by the evaluation system and improved student learning

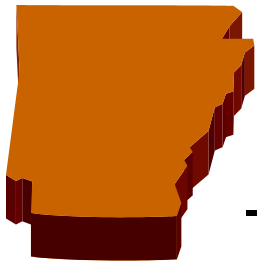


4. Gap Analysis – Internal Scan (Cont'd.)



Policies For Movement Through KSBP

KSBP requires fair and equitable policies for teacher movement through the skill levels in order to be successful. Following are The Committee's recommendations for such polices:



4. Gap Analysis – Internal Scan (Cont'd.)

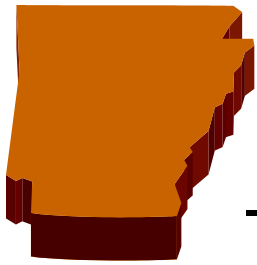
Policies For Movement Through KSBP (Cont'd.)

Movement Through the KSBP Schedule - A teacher would move up through the schedule according to the following rules:

1. All teachers without previous teaching experience would enter at the Entry rate. During the first year they will undergo an assessment to make sure that their performance (knowledge and skill level) is at minimum acceptable for an entry teacher.

If their skills are not rated as acceptable by the end of the year, they may be given a second, Entry year at step 1, or be terminated. If, by the end of the third year they are not evaluated as having achieved Emerging Career Knowledge and Skills (Praxis III), they are terminated.

2. A new teacher with previous experience can be brought into the schedule at the appropriate KSBP level. The appropriate level will be based on a pay level reflective of their experience. If the new teacher was placed at too high a level, he/she shall remain at that level for a performance cycle in order to increase their skill level to match that level.



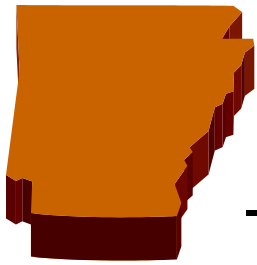
4. Gap Analysis – Internal Scan (Cont'd.)

Policies For Movement Through KSBP (Cont'd.)

3. The Emerging Career KSBP level is one during which teachers with Entry Knowledge and skills build their personal competencies to a career level.

During this time teachers are acquiring and using those knowledge and skills that will allow them to perform effectively throughout their careers. It is expected that most teachers will spend three years in this process. Teachers will be evaluated each year and if making good progress, will receive a step increase to Emerging Career Step 2. A teacher can ask to be evaluated for promotion to the Career level after one year at the Emerging Career level. Thus, teachers could achieve Career Step 1 at the end of their first year at the Emerging Career Level if they accomplished extraordinary career progress. Such a promotion would be considered the exception and not the norm. Teachers will be provided with mentoring and induction during the Emerging Career period. They will work on enhancing their expertise.

4. Teachers who have not achieved Career level in the system by the end of their third year at the Emerging Career level may be given one additional year at the Emerging Career Level, Step 3. If teachers have not attained Career, Step 1 by the end of this additional year, they will be terminated.

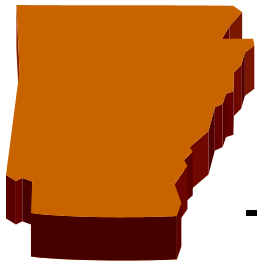


4. Gap Analysis – Internal Scan (Cont'd.)



Policies For Movement Through KSBP (Cont'd.)

5. All teachers must spend at least one year at the Emerging Career Knowledge and Skill Level before attempting to be promoted to the next level. They must spend at least 3 years at the Career Knowledge and Skill level. During the fourth year they may request to be evaluated for promotion to the Master Teacher Level.
6. The Career and Master Levels are where most teachers will be expected to spend the majority of their careers with Arkansas schools. Most teachers would achieve a career level high salary at Master Level Step 4. Teachers achieving Master Level are judged to be effective teachers. Because of the rigorous requirements to attain the Arkansas Fellow Level, most teachers would achieve and then remain at this Master Teacher level.
7. The highest KSBP level is Arkansas Fellow. Not all teachers are expected to achieve this level. The standard for promotion must be rigorous. The Arkansas Fellow level is for teachers who achieve and apply extraordinary expertise.

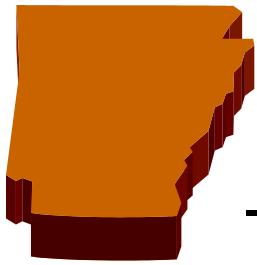


4. Gap Analysis – Internal Scan (Cont'd.)

Policies For Movement Through KSBP (Cont'd.)

8. All teachers at the Career, Master and Arkansas Fellow Levels will be required to demonstrate their continued knowledge and skills every four years. If teachers fail this demonstration, they will not receive a step increase. Teachers at the Master Teacher Level who fail to demonstrate after two years will drop back to Career Level, Step 4. Teachers at the Arkansas Fellow Level who fail to demonstrate after two years will drop back to Master Level, Step 4. Teachers who successfully re-demonstrate their knowledge and skills will be reinstated to their previous KSBP Level and step.

9. Each year teachers who are performing satisfactorily will receive a step increase within their KSBP Level. They will also receive an adjustment that reflects any increase in the schedule to remain competitive with the market). Pay shall not move up past the top step in each KSBP Level unless the teacher is promoted to the next KSBP Level. Teachers who are at the top step will still receive the market adjustment.



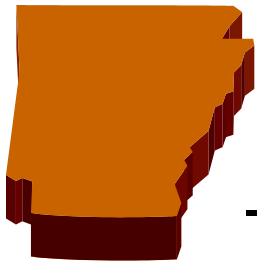
4. Gap Analysis – Internal Scan (Cont'd.)



Policies For Movement Through KSBP (Cont'd.)

10. Arkansas may grant stipends in addition to a teacher's base salary. Example stipend duties may include:

- a. Taking on additional committee responsibilities, judged to be beyond the normal expectations for a teacher.
- b. Other additional duties or accountabilities judged to be beyond the normal expectation for a teacher.



4. Gap Analysis – Internal Scan (Cont'd.)



Incentive Pay - Teacher Compensation Objective

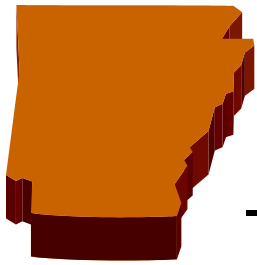
Arkansas' compensation strategy calls for the following message regarding teacher variable pay: "We want to work collectively and individually to accomplish ambitious/meaningful student performance." We envision variable pay working as follows: Faculty, administration and classified staff in schools are rewarded if they produce improvements in student performance aligned with state, local, and federal accountability requirements.

Finding

There appears to be nothing in the compensation program that rewards teachers directly for improvements in student performance. In addition the small school improvements awards to schools under ACTAAP do not appear adequate to truly motivate.

Incentive Pay Recommendation

The Committee suggests changing to a variable pay program called School Based Performance Awards (SBPA) to reward teachers and staff directly for improvements in student performance.



4. Gap Analysis – Internal Scan (Cont'd.)

Incentive Pay Recommendation (Cont'd.)

The full development of a school based performance award program (SBPA) is beyond the scope of this study and would require an additional effort. We offer, here, however, some thoughts about the major features of an SBPA program that would accomplish Arkansas's compensation strategy.

We recommend that Arkansas take the following steps towards an SBPA:

- ✓ Allocate current monies under the ACTAAP program away from school awards and create a program that rewards teachers and staff with salary bonuses for improvements in student performance at the school level.
- ✓ Set four levels of accomplishment for an award (no award, \$1,000 per teacher for basic accomplishment, \$2,000 per teacher for accomplishing the improvement goal, and \$3,000 per teacher for exceeding the improvement goal. Use the current Measuring Performance Honors (MPH) program to define measures and goals for student learning.
- ✓ Allow administrative and support staff to participate in the program at the same incentive levels for administrators and at ½ the incentive levels for teachers.

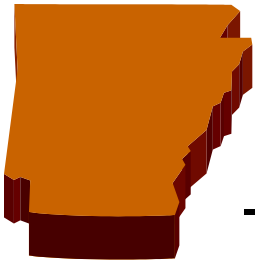


4. Gap Analysis – Internal Scan (Cont'd.)

Incentive Pay Recommendation (Cont'd.)

Implementing an SBPA program would require the following details to be worked out:

- ✓ Funding.
- ✓ Participation.
- ✓ Measures – how will we measure student improvement.
- ✓ Incentive formulas.
- ✓ Goal setting mechanism.
- ✓ Form of the incentive payout.
- ✓ Payout frequency.
- ✓ Communication of the program.

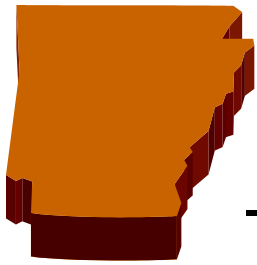


4. Gap Analysis – Internal Scan (Cont'd.)

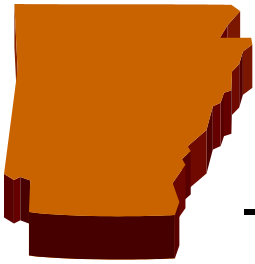


Cost of the Recommendation

The Committee estimates that the cost of a SBPA incentive program would be \$30 million per year. This assumes that about half the schools with about half the teachers will qualify for an average annual bonus of \$2000 per certified staff member.



5. Transition & Implementation

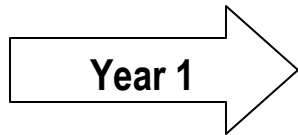


5. Transition & Implementation (Cont'd.)

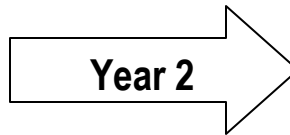
Successful Transition and Transition

The ultimate goal of these recommendations is to see a significant improvement in student learning and achievement in our State. Realizing this goal requires us to take extreme care to provide sufficient resources for a disciplined and effective transition and implementation of the new teacher pay systems.

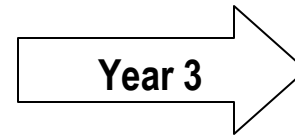
The Committee believes that a successful transition will require several years and recommends the following game plan:



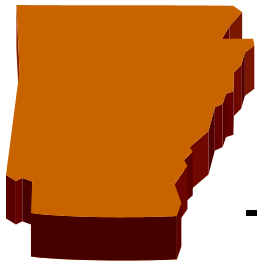
- 1. First Salary Adjustment
- 2. Roll out School Based Performance Awards
- 3. Design KSBP



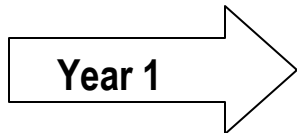
- 1. Second Salary Adjustment
- 2. Pilot KSBP



- 1. Roll out KSBP
- 2. Adopt KSBP salary structure

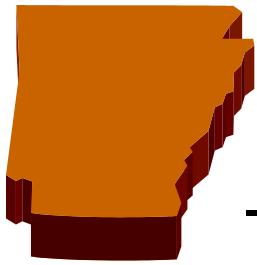


5. Transition & Implementation (Cont'd.)



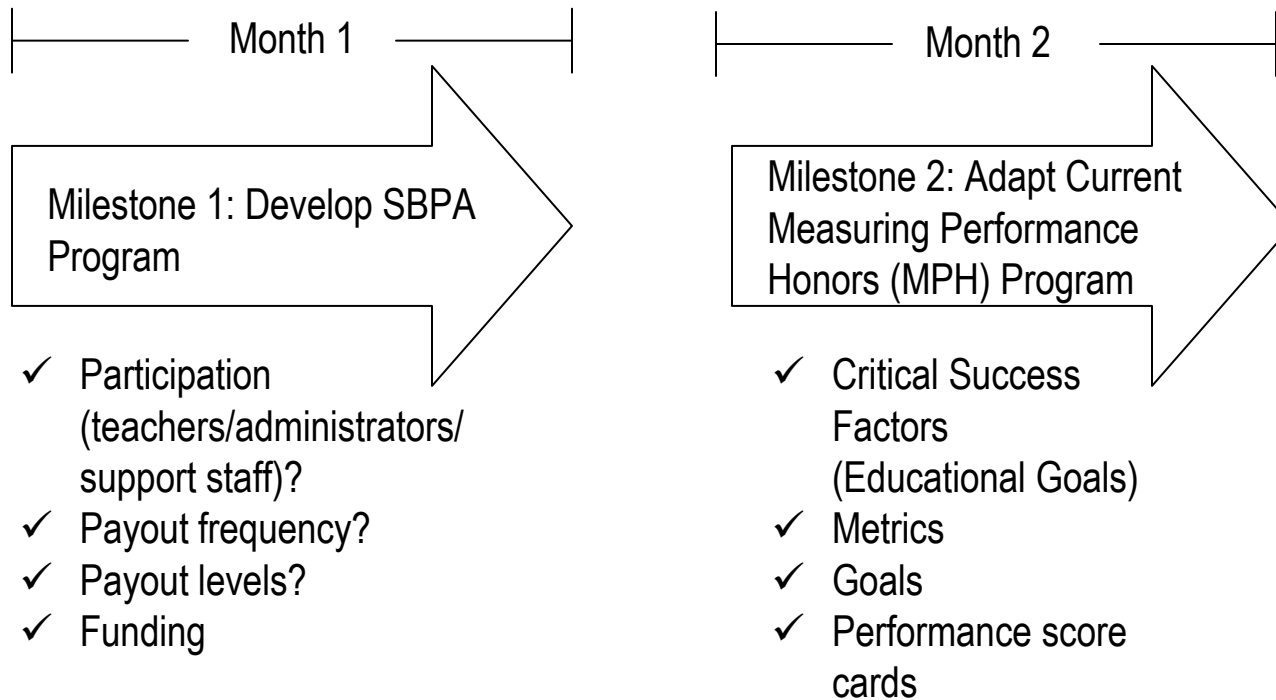
1. Concentrate on bringing entry salaries to SREB levels first.
2. Second, adjust the rest of the schedule by an average of 11% (either later in the year or in year 2).
3. Design and implement school based performance award (SBPA) program.
4. Design knowledge and skill based pay program (KSBP)
5. Establish adders

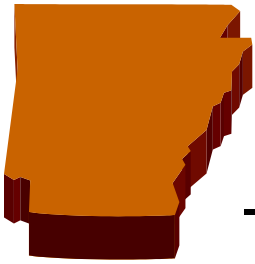
Following is a detailed work plan for designing and implementing SBPA.



4. Gap Analysis – Internal Scan (Cont'd.)

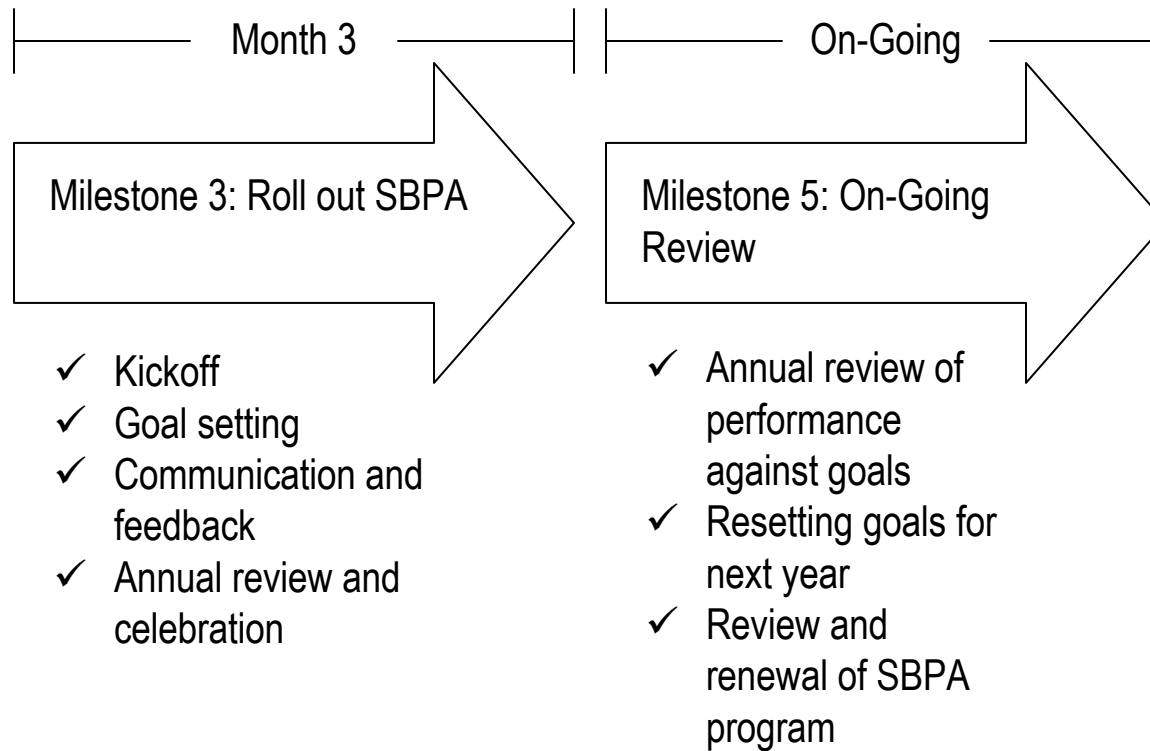
Milestones In SBPA Implementation

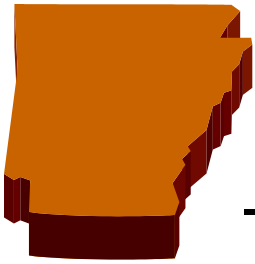




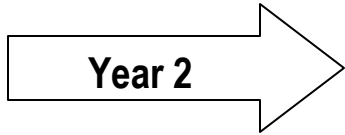
4. Gap Analysis – Internal Scan (Cont'd.)

Milestones In SBPA Implementation (Cont'd.)





5. Transition & Implementation



1. Second salary adjustment (across the board 11% on average for rest of the schedule)
2. Pilot Knowledge and Skill Based Pay (KSBP)

Following is a detailed work plan for the KSBP pilot



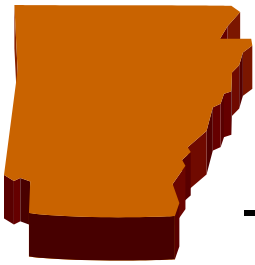
5. Transition & Implementation

Pilot Knowledge and Skill Based Pay (KSBP)

Implementing KSBP will require Arkansas to develop and deploy:

- a. A set of performance-based standards and rubrics to define each level of the KSBP system.
- b. A process for assessing teachers and assigning them to KSBP levels.
- c. A fair and effective method for making the transition from the current single salary schedule to the KSBP schedule in every Arkansas school district.

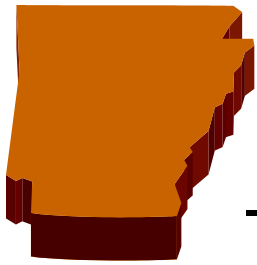
The following page outlines these requirements in more detail:



5. Transition & Implementation (Cont'd.)

Pilot Knowledge and Skill Based Pay (KSBP) (Cont'd.)

- ✓ Identification of what good teaching is, the knowledge and skills to do it, or teaching standards linked to student standards and teacher career stages.
- ✓ The instructional vision must be sound and embraced by the School and teachers.
- ✓ A professional development strategy to help teachers acquire and deploy that instruction.
- ✓ Performance assessments of knowledge and skills -- how to assess and who should do it.
- ✓ The assessment system must be sound and fair.
- ✓ Linkage to the new KSBP salary schedule.
- ✓ Alignment of all other human resource systems, especially professional development, around the the new vision of instruction so that teachers have the opportunity to learn the core technology needed to boost student performance.
- ✓ Opportunities to learn new instructional practices must be present.



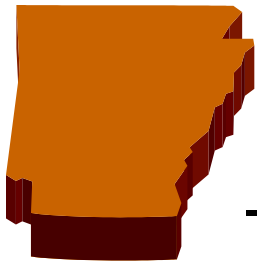
5. Transition & Implementation (Cont'd.)

KSBP Pilot

The Committee recommends that Arkansas conduct a 1 year pilot to design, pretest and prepare a new KSBP salary schedule and system. The pilot will result in as a model KSBP schedule and system ready for each Arkansas School District. The implementation pilot will require:

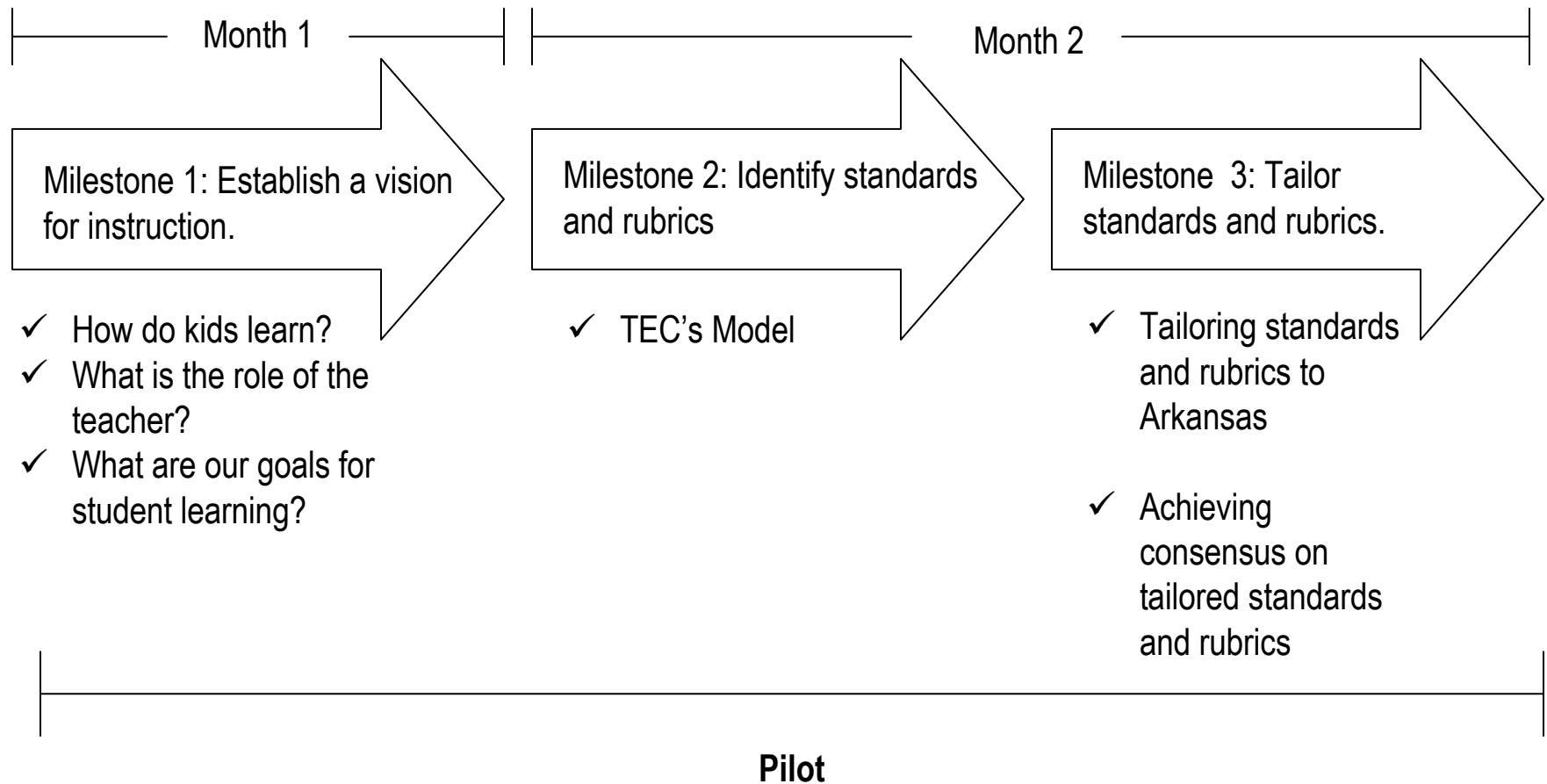
1. Definition of standards and rubrics defining teacher skill levels
2. Development and implementation of a process for assessing skills
3. Training for assessors
4. Alignment of our current professional development program
5. Financial forecasts
6. Policy for making the transition from the current salary schedule to the KSBP salary schedule.

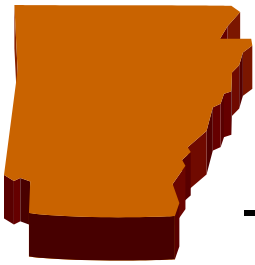
Following is an overview of the milestones for such a pilot.



5. Transition & Implementation (Cont'd.)

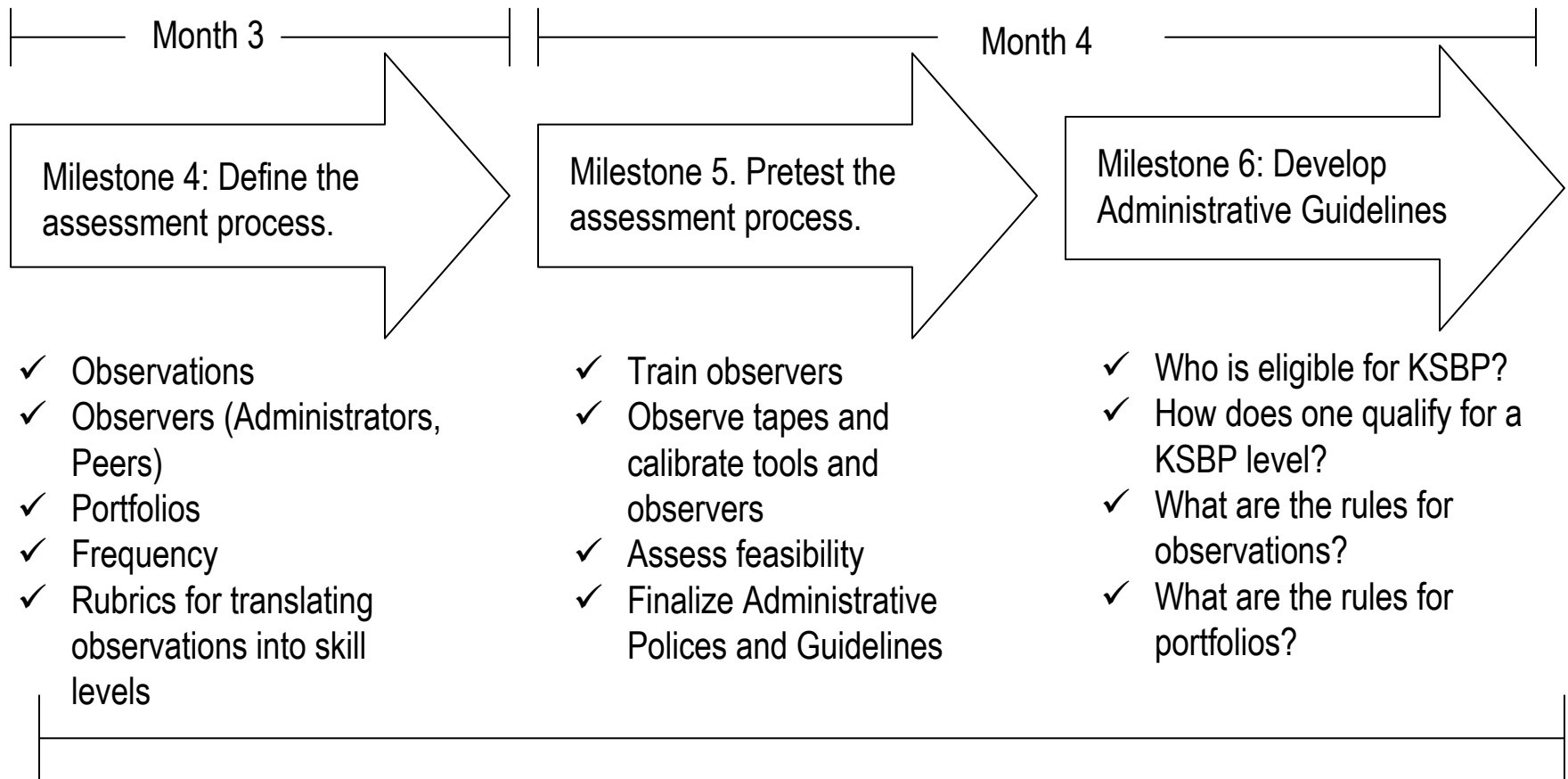
Overview of Steps In KSBP Implementation Pilot



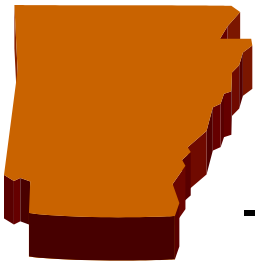


5. Transition & Implementation (Cont'd.)

Overview of Steps In KSBP Implementation Pilot (Cont'd.)



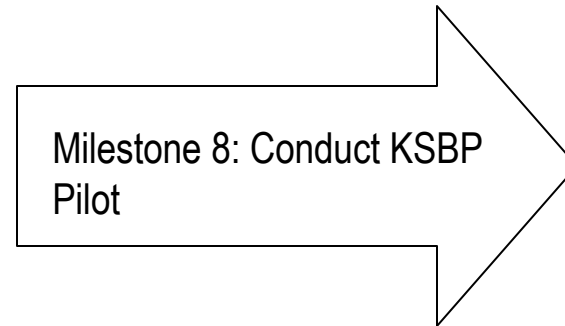
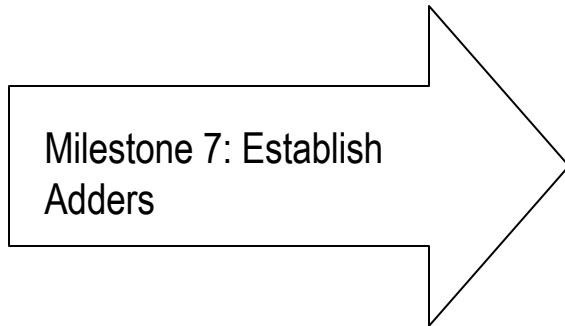
Pilot



5. Transition & Implementation (Cont'd.)

Overview of Steps In KSBP Implementation Pilot (Cont'd.)

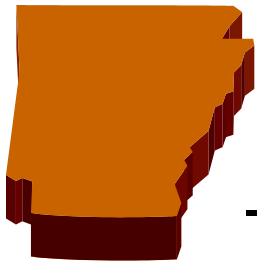
Month 5-11



- ✓ Conduct study of Arkansas Districts
- ✓ Identify areas with difficulties attracting and retaining teachers to establish geographical shortages
- ✓ Confirm subject area shortages
- ✓ Establish adder levels

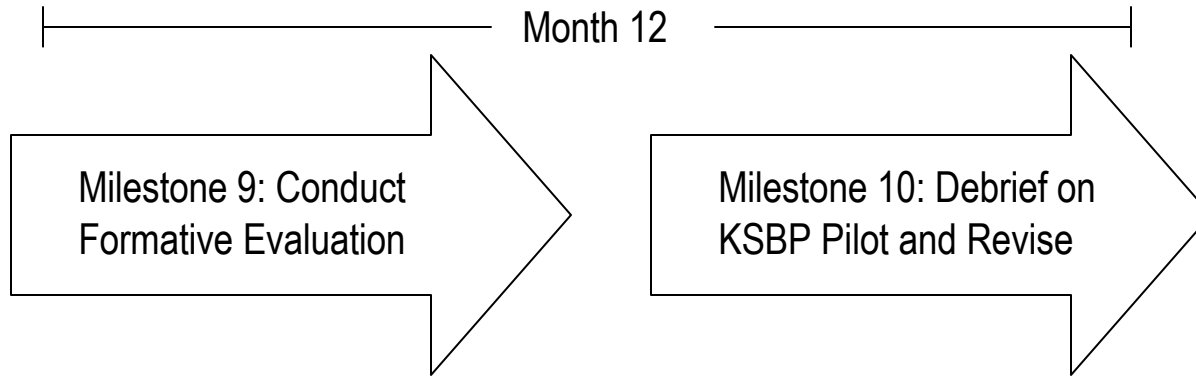
- ✓ Train assessors and KSBP participants
- ✓ Conduct observations
- ✓ Place participant teachers in proper KSBP level

Pilot



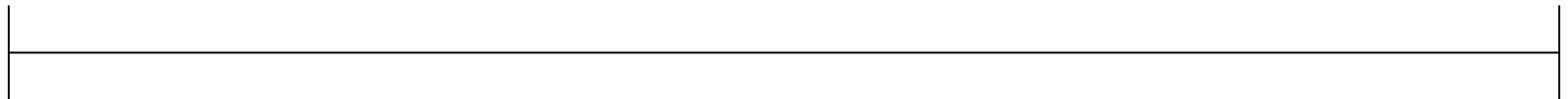
5. Transition & Implementation (Cont'd.)

Overview of Steps In KSBP Implementation Pilot (Cont'd.)

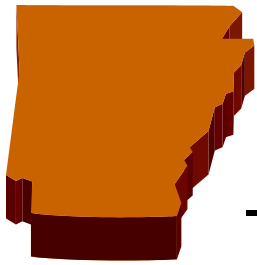


- ✓ Feasibility
- ✓ Administration
- ✓ Quality
- ✓ Reliability
- ✓ Validity
- ✓ Fairness

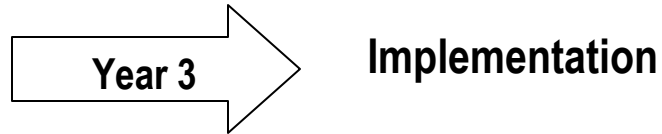
- ✓ Revise KSBP protocols and procedures
- ✓ Prepare for Transition



Pilot



5. Transition & Implementation (Cont'd.)



1. Roll out KSBP
2. Transition from current teacher salary schedule to KSBP schedule.
3. Introduce adders for subject matter shortage areas
4. Introduce adders for geographical shortage areas.

Following is a detailed work plan for accomplishing the KSBP roll out.



5. Transition & Implementation (Cont'd.)

Overview of Steps In KSBP Rollout

