



## Indiana Department of Education

Glenda Ritz, Superintendent of Public Instruction

TO: State Board of Education

FROM: Risa A. Regnier, Assistant Superintendent  
Maggie Paino, Staff Attorney

DATE: September 4, 2013

RE: 2012-13 Compensation model additional analysis

In its review of 117 salary schedules from 2012-13, the Department found that not all salary schedules submitted were compliant with Ind. Code § 20-28-9-1.5. This was reported to the Board at its July 2013 meeting along with a list of the most common errors identified; this information is posted on the Compensation website at <http://www.doe.in.gov/improvement/educator-effectiveness/compensation-systems>

Noted below is each identified error and the total number of salary schedules in which this error was found, the overall percentage of salary schedules containing the error, an explanation of what the error entails, and examples of what should have been included in the model to avoid the committed error. The errors are in order from most prevalent to least prevalent.

### 1. No private conference

- Total Number of Schedules containing Error: 78
- Overall Percentage of Schedules containing Error: 66.7%
- Explanation of Error: Under Ind. Code § 20-28-9-1.5, if a teacher does not receive a raise, he or she may file a request to meet with the superintendent and have a private conference to discuss the reasons why the teacher did not get a raise.
- Example: A teacher who does not receive a raise or increment may request a meeting with the superintendent no later than 5 days after receiving notice that they received a rating of ineffective.

### 2. Salary schedule did not identify the source or amount for increases

- Total Number of Schedules containing Error: 70
- Overall Percentage of Schedules containing Error: 59.8%

- Explanation of Error: No “pot of money” is defined that informs the parties how much is available for salary increases overall.
- Example: The school corporation will make \$95,000 available exclusively for increasing teacher salaries for the 2013-2014 school year. This amount will be allocated according to a 100-point scale.

### **3. No redistribution provision**

- Total Number of Schedules containing Error: 63
- Overall Percentage of Schedules containing Error: 53.8%
- Explanation of Error: Ind. Code § 20-28-9-1.5 requires a salary schedule to include a provision that provides that monies that would have been allocated for salary increases of teachers rated “ineffective” or “improvement necessary” are to be reallocated for compensation of all teachers rated “effective” or “highly effective.” No such provision exists in the collective bargaining agreement.
- Example: Stipends shall not be awarded for teachers with ratings of “ineffective” or “needs improvement.” These funds shall be reallocated as stipends to those teachers rated “effective” and “highly effective” as determined above.

### **4. No eligibility requirements for increases specified**

- Total Number of Schedules containing Error: 45
- Overall Percentage of Schedules containing Error: 38.4%
- Explanation of Error: Under Ind. Code § 20-28-9-1.5, only staff rated “effective” or “highly effective” are eligible for a raise. The salary schedule does not include any information regarding an individual’s eligibility for receiving a raise.
- Example: In order to receive any increase in compensation, a teacher must be rated “effective” or “highly effective.” Ratings of “improvement necessary” or “ineffective” will not receive any increase regardless of education and experience.

### **5. No provision included for how newly hired teachers are treated in the salary schedule**

- Total Number of Schedules containing Error: 37
- Overall Percentage of Schedules containing Error: 31.6%
- Explanation of Error: No information is provided for how a teacher with no experience or a teacher newly hired into the district will be placed on the salary schedule or how their base salary pay will be determined.
- Example: Employees new to the district shall be offered a base salary based on prior years of service in education. The Board shall have the discretion to base new employees’ salaries within the following ranges:
  - 0-4 years of service                      \$30,800 - \$38,500
  - 5-9 years of service                        \$34,804 - \$44,660
  - 10-14 years of service                     \$39,732 - \$51,436
  - 15+ years of service                        \$45,892 - \$58,520

## 6. No explanation as to how the salary schedule is applied

- Total Number of Schedules containing Error: 36
- Overall Percentage of Schedules containing Error: 30.8%
- Explanation of Error: A salary schedule is included, but there is no information as to how the increases will be calculated or what the different levels of the schedule mean.
- Example:
  - Category #1, Evaluation (80 point maximum)
    - Effective: 60 points
    - Highly Effective: 80 points
  - Category #2, Experience & Education (20 point maximum)
    - Experience:
      - 1-4 years: 2 points
      - 5-8 years: 4 points
      - 9-12 years: 6 points
      - 13-16 years: 8 years
      - 17+ years: 10 points
    - Education:
      - B+12hrs 2 points
      - B+24hrs 4 points
      - B+36hrs 6 points
      - M+18hrs 8 points
      - M+36hrs 10 points
  - Calculating Compensation
    - Step 1: Calculate Category 1
    - Step 2: Calculate Category 2
    - Step 3: Total Categories 1&2
    - Step 4: Total the points awarded to teachers. This amount won't be known until all evaluations are completed
    - Step 5: Divide the amount available by the total points distributed to all teachers to determine a per point dollar value
    - Step 6: Multiply the total points a teacher earned by dollars per point to determine the teacher's total compensation increase
    - Step 7: Determine the distribution of the compensation increase (multiply compensation increase by 70% to determine amount of one-time stipend; multiply compensation increase by 30% to determine the amount added to salary base)

## 7. Salary schedule is incomplete

- Total Number of Schedules containing Error: 35
- Overall Percentage of Schedules containing Error: 29.9%
- Explanation of Error: A salary schedule only includes one factor.

- Example: The compensation plan utilizes two categories in determine any salary increases: Effective rating based on evaluation and education/experience.

#### **8. No definitions**

- Total Number of Schedules containing Error: 35
- Overall Percentage of Schedules containing Error: 29.9%
- Explanation of Error: The salary schedule includes the factors of “instructional leadership roles” and/or “academic needs of students in the school corporation” without providing information as to what leadership roles qualify an individual for a raise or what measures are included to determine if a staff member met the academic needs of the students.
- Example: Stipends are based on education/experience and participation in instructional leadership activities. Instructional leadership roles include the following: participating on school committees, volunteering to supervise/participate in extracurricular and after-school activities, mentoring new teachers, department chair responsibilities, and hosting a teacher or practicum student.

#### **9. Training and experience factor exceeded 33%**

- Total Number of Schedules containing Error: 27
- Overall Percentage of Schedules containing Error: 23.1%
- Explanation of Error: Under Ind. Code § 20-28-9-1.5, the factor of teaching and experience cannot exceed a total of 33% of the calculation determining the raise amount.
- Example: 30 Points shall be allotted for education and experience, and 80 points shall be allotted for evaluation results.

#### **10. The salary schedule was not included in the collective bargaining agreement**

- Total Number of Schedules containing Error: 23
- Overall Percentage of Schedules containing Error: 19.7%
- Explanation of Error: The collective bargaining agreement does not include a salary schedule or may reference the salary schedule in the body of the agreement, but does not incorporate it in the body or as an attachment.
- Example: The basic salaries of teachers covered by the Agreement for the 2012-2013 school year are set forth in the Teacher Compensation Model which is stated in Appendix A-1.

#### **11. No explanation of whether increases are “stipends” or “raises”**

- Total Number of Schedules containing Error: 21
- Overall Percentage of Schedules containing Error: 17.9%
- Explanation of Error: A salary increase may be in a base salary, in a stipend or as a combination of the two. The collective bargaining agreement does not specify the form in which the increases will be made.

- Example: An increase in compensation will be distributed as follows: 70% of the total increase will be paid in 1 lump sum stipend in the summer or early fall of 2013-2014 school year when the teacher's effective rating is known. The stipend may not recur annually; 30% of the total increase will be added to the teacher's base salary.

**12. An MOU or other prior agreement, including prior base salaries, was not incorporated or attached when referenced in the salary schedule**

- Total Number of Schedules containing Error: 17
- Overall Percentage of Schedules containing Error: 14.5%
- Explanation of Error: The collective bargaining agreement refers to a previous salary schedule as a reference for determining a base salary for the school year, but does not incorporate it in the body or as an attachment.
- Example: The basic salaries of teachers covered by the Agreement for the 2012-2013 school year are set forth in the previous salary schedule found in Appendix A.

**13. Lack of consistency between the number of points possible and the number of points indicated in the salary schedule language**

- Total Number of Schedules containing Error: 5
- Overall Percentage of Schedules containing Error: 4.3%
- Explanation of Error: The salary schedule allots a number of points to each factor included in the calculation, but the explanation of the points does not match up with the application in the salary schedule.
- Example: Education and Experience will count for 30% of the increase, evaluation results will count for 50% and leadership roles will count for 20%. Points will be allotted as follows:
  - 30 points for education & experience
    - 15 points for education
    - 15 points for experience
  - 50 points for evaluation results
  - 20 points for leadership roles

As of September 4, 2013, the Department has received 26 newly settled contracts, including compensation models. All contracts must be settled by December 31. Compensation models will be reviewed for compliance throughout the fall as they are submitted and staff will communicate with school districts with regard to errors and concerns about compliance. An interim status report will be transmitted electronically to the board by November 15, 2013; a final report on incidents of non-compliance will be presented in February 2014.