COMPETITIVE TEACHER PAY

Report from the SB 1215 Work Group Convened by the Superintendent of Public Instruction

Chapter 725 Enactment Clause 1. (Regular Session, 2023)

VIRGINIA DEPARTMENT OF EDUCATION

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EXECUTIVE SUMMARY

Access to a high quality teacher is the greatest in school determinant of a child's success. Great teachers must be recruited, grown, retained and celebrated. In recent years, teacher salaries have been impacted by rising costs of living. In the past two years, increasing salaries of teachers has been a shared priority across government. Governor Youngkin and the General Assembly have invested $232.5 million for a 5% Compensation Supplement effective August 1, 2022, $527.1 million for a 5% teacher compensation supplement effective July 1, 2023, and $54.6 million for a 2% Compensation Supplement effective January 1, 2024. The Administration is committed to continuing to invest in compensation that supports our goal of having a high-quality teacher in front of every student in Virginia and rewards their impact.

Senate Bill 1215 (SB 1215) charged the Virginia Department of Education to convene a work group to "consider and make recommendations no later than November 1, 2023, on the appropriateness, feasibility, potential fiscal impact, and potential unintended consequences of certain definitions for and calculations of competitive teacher pay."

From August to October 2023, parents, teachers, and school leaders from across the Commonwealth convened to discuss teacher compensation in Virginia as outlined by SB 1215. Across different work group sessions, stakeholders discussed teacher compensation and the definition of "competitive." The Work Group focused on the following six themes:

1. Virginia teachers deserve competitive compensation. The working group was asked to define "competitive compensation."
2. The definition of competitive compensation should vary across the Commonwealth to reflect differences in regional markets, role types, competitive degree opportunities, and teacher responsibilities.
3. To ensure competitive wages occur, pay scales need to be attractive enough to recruit and incentivize high performing teachers to stay in the classroom, work in high need roles and placements, and invest in high performing teachers early in their career (years 0-5).
4. School divisions, principals, and teachers should be included in designing and implementing comprehensive teacher compensation strategies.
5. School divisions and principals should be empowered to differentiate competitive salaries for high need roles, subjects, specialty areas, school types, and for additional responsibilities.
6. If school divisions choose to use differentiated models, competitive compensation models that reward teacher effectiveness must be clear, fair, and reliable.

In summary of their discussions, the Work Group identified the following five recommendations for the definition of "competitive" compensation that recruits and retains high quality teachers in every Virginia classroom:

1. The definition of competitive compensation needs to be flexible to allow for variabilities in roles, markets responsibilities, and regions.
2. The Commonwealth needs to continue to invest in teacher compensation, with a focus on recruiting and retaining highly effective teachers in high need areas.
3. Competitive compensation should not be limited to salary (i.e., benefits).
4. School divisions should be empowered to differentiate compensation based on regional markets, role types, competitive degree opportunities, and responsibilities.
5. An effective teacher compensation requires an investment in a teacher data system to provide real-time information and allow the state to better understand, support, and invest in teachers.

LETTER TO THE GENERAL ASSEMBLY

Senator L. Louise Lucas
Senate District 18
P.O. Box 700
Portsmouth, Virginia 23705

Dear Senator Lucas,

From August to October 2023, a workgroup comprised of parents, teachers, and school leaders from across the Commonwealth convened to discuss teacher compensation in Virginia as outlined by SB 1215. During four different workgroup sessions, stakeholders discussed the definition of a "competitive teacher salary." The group spent a great deal of time evaluating teacher compensation models to determine if these models create a competitive salary. The workgroup struggled to determine a statewide "competitive salary" definition that would truly recruit and retain highly effective teachers across the Commonwealth.

During each meeting, the workgroup struggled with regional variances and differences between starting salaries, recruitment, and retention values, as well as how to be competitive when the cost of living and labor market varied drastically across the Commonwealth.

Still, several common themes resonated throughout the discussion:

1. All of Virginia's teachers should be paid competitively for the critically important work they do to educate our Commonwealth's youth. For Virginia students to thrive, having high-quality, licensed teachers in the classroom is paramount for their success, and Virginians should celebrate and reward excellent teachers.
2. The majority of the Work Group agreed the definition of "competitive" in Virginia should recognize the vast differences in regional cost of living as well as the flexible local decision making that exists across the Commonwealth.
3. As school divisions continue to work on localized pay scales, school divisions should have the autonomy to differentiate and recognize local market differences.
4. Finally, the state funding system needs clarity to ensure that state contributions clearly impact improving teacher salaries, and school divisions should continue to be empowered to research innovative salary schedules and differentiated compensation models that meet their needs.

Teacher compensation is a complex topic that is confounded by many different variables, including the range of financial resources available across local communities, the different education revenue streams, and the Commonwealth's current funding methodology.

Please review our agency's complementary study that better outlines these variables and the Department's recommendation on how to simplify these challenges and provide greater transparency on funding decisions at both the state and local levels.

We look forward to continuing this work with the General Assembly in the coming session.

Sincerely,

Lisa Coons, Ed.D.
Superintendent of Public Instruction

OVERVIEW OF SB 1215

SB 1215 (Chapter 725, 2023 Acts of Assembly), patroned by Senator Louise Lucas passed the House of Delegates and the Senate of Virginia unanimously during the 2023 General Assembly session. The legislation, an uncodified § 1 bill, became effective July 1, 2023. The legislation directed the Virginia Department of Education (VDOE) to convene a work group no later than August 15, 2023, to consider and make recommendations on the appropriateness, feasibility, potential fiscal impact, and potential unintended consequences of the following:

- Preserving the definition of the term "competitive" contained in Va. Code § 22.1-289.1, as applied to the compensation of public elementary and secondary school teachers (Currently, Va. Code § 22.1-289.1 defines "competitive" as, "at a minimum, at or above the national average teacher salary.");
- Amending the definition of the term "competitive" to incorporate an alternative metric, including the median annual salary of a Virginia worker who is 25 years of age or older and has a bachelor's degree; and
- Requiring the VDOE or another entity to conduct an annual calculation to determine public school teacher compensation and the commensurate flat percentage increase to the state share of salary funding for Standards of Quality-supported positions that is necessary to make such compensation competitive under any such definition.

SB 1215 required VDOE's work group to include school board representatives, division superintendents, public elementary and secondary school teachers, parents of public elementary and secondary school students, representatives of major associations representing public elementary and secondary school staff, and such other stakeholders as VDOE deemed appropriate. The work group membership may be found at Appendix B.

Upon conclusion of the work group, VDOE is required to produce a publicly available report that includes analysis and recommendations. The report is to be posted on the VDOE website and transmitted to the Chairmen of the House Committee on Education and the Senate Committee on Education and Health no later than November 1, 2023.

ANALYSIS AND RECOMMENDATIONS

OVERVIEW OF TEACHER INVESTMENTS

The Commonwealth of Virginia has made significant investments in teacher compensation over the past several years beginning in FY 2020, equating to $131.3 million for a 3% Compensation Supplement effective July 1, 2019, and $70.9 million for a 2% Compensation Supplement effective September 1, 2019. Additionally, the Commonwealth invested $217.8 million for a 5% Compensation Supplement effective July 1, 2021, and $130.1 million for a $1,000 bonus in December 2022.

This Administration has invested $232.5 million for a 5% teacher compensation supplement in FY 2023 effective August 1, 2022, and $527.1 million for a 5% Compensation Supplement effective July 1, 2023, and $54.6 million for a 2% Compensation Supplement effective January 1, 2024.

VDOE INVESTMENTS IN TEACHER RECRUITMENT AND RETENTION

In addition to recent increases to salaries of teachers across the Commonwealth, the Commonwealth has additionally invested over $20 million to help incentivize individuals to enter the teaching profession, fill hard to staff roles, and retain teachers in the classroom. This funding is available to local school divisions and teachers who meet identified criteria. The grants, scholarships, and incentive payments focus on attracting, recruiting, and retaining high-quality teachers and filling critical teacher shortage disciplines, subjects, and schools.

Additional grant funding opportunities are geared toward developing a more robust teacher pipeline. Examples of funds dedicated toward this effort include teacher residency programs, Grown Your Own teacher apprenticeship programs, Career Switcher programs, and tuition assistance for teacher candidates in certain high needs certifications. The goal of these programs is to provide no cost or low-cost options to individuals who are interested in becoming a teacher.

TRENDS IN TEACHER PAY

Teacher Pay Methodology

States use different teacher compensation methodologies. In 13 states, teacher salary rates are set by the state legislature and in nine states, the state sets the minimum salary a teacher must earn. Virginia is one of 29 states that allows teacher salaries to be set by individual school divisions[1]. This allows divisions the flexibility to meet their own needs, but as a result, teacher pay in Virginia is not uniform across the state. Many differences in pay can be associated with adjusting to the differences in markets and costs of living and support school divisions recruitment. But due to this division variability, examining state averages masks huge variability in compensation and local economic context from one division to the next. The 2021-2022 Teacher Salary Survey

[1] See *Teacher Compensation Strategies from the National Council on Teacher Quality* (Sept. 2022).

Results includes information on average salaries and average starting salaries by school division and showcases the ranges across the Commonwealth.

Many states base salary scales by years of experience. However, there are alternatives worth considering that tackle challenges with staffing hard-to-staff schools, hard-to-staff positions, and schedules that compensate teachers based upon their effectiveness rather than solely experience calculated by years of service.

State Comparisons

The Work Group also examined teacher salaries specifically with relation to neighboring states, with whom Virginia school divisions may compete for teaching talent. Maryland, Pennsylvania, and Washington, D.C. all pay more, by average; North Carolina, Tennessee, and West Virginia all pay less than the Virginia average teacher salary. However, averages significantly mask variances by divisions and labor markets.

The Southern Regional Education Board (SREB) has provided an in-depth, state-by-state comparison tool looking at states in the southeast United States. Statistics computed, including cost-of-living index, "teacher wage penalty," and retirement benefits, provide more detail comparing Virginia's compensation package for teachers compared to our neighbors to the west and south. According to SREB, Virginia has one of the lowest individual and family healthcare premium costs for teachers[2].

Salaries Adjusted for Inflation

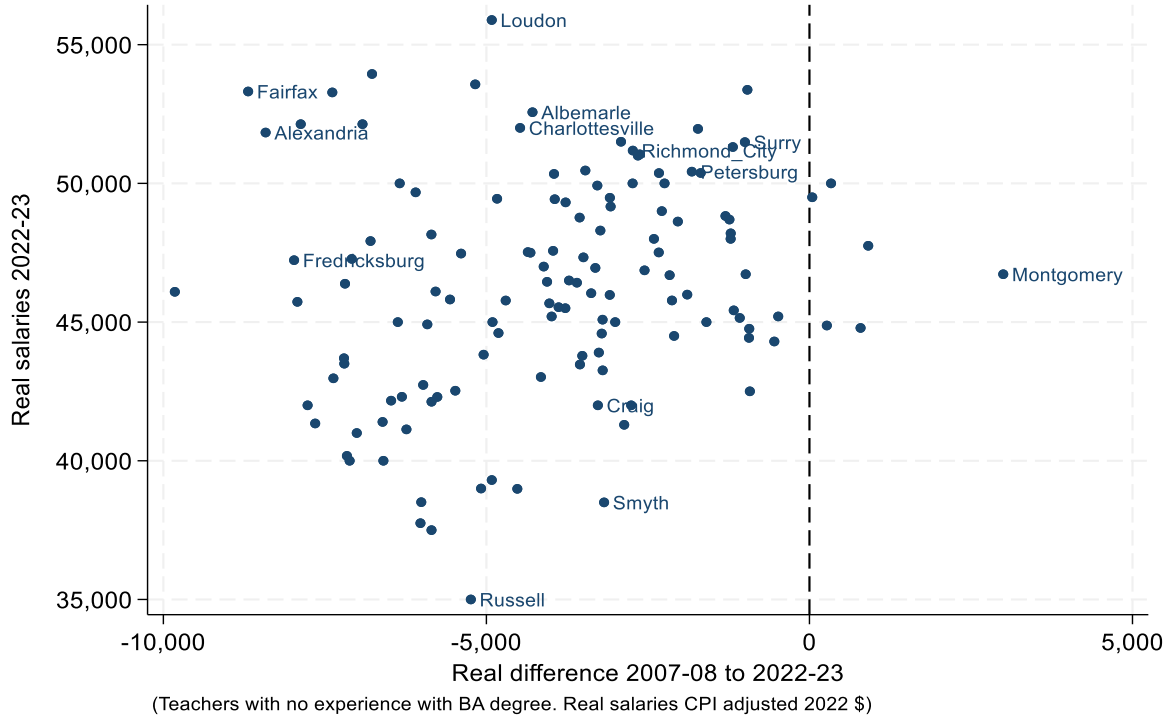
The Work Group received expert testimony from four national experts that outlined trends at the national level as well as here in Virginia. Dr. Jim Wyckoff (University of Virginia) shared that starting teacher salaries in Virginia are on average $4,000 lower than they were fifteen years ago, when salaries are adjusted for inflation. Only six[3] divisions offer higher starting salaries than they did fifteen years ago[4]. As previously mentioned, it important to note that state averages do not capture the realities of the regional labor markets and the differences across roles, subjects, and divisions.

[2] *SREB takeaways on teacher compensation data* (2015) *Southern Regional Education Board*. Available at: https://www.sreb.org/post/sreb-takeaways-teacher-compensation-data.

[3] James Wyckoff (2023) "Teacher Shortages and Teacher Compensation in Virginia, A Policy Brief"

[4] Dr. Wyckoff's analysis will be forthcoming, but has not yet been publicly released as of this writing.

Starting teacher salaries in 2022-23 and changes since 2007-08, by Virginia school division[5]



TEACHER COMPENSATION METHODOLOGIES

Newer teacher compensation methods have come to light across the nation, including efforts in Virginia that aim to better recognize and reward market needs, harder to fill positions, and positive impact on student learning.

Two methods highlighted in the Work Group are:

- Differentiated pay, and
- Performance based pay

Differentiated Pay

Differentiated pay is a strategic practice to help attract teachers to hard-to-staff subjects and schools. This practice is currently used throughout Virginia through grants, scholarships, and incentives. Examples of hard-to-staff subjects include positions in special education, secondary STEM (Science, Technology, Engineering, Math), and specialty positions such as reading specialists. Examples of hard-to-staff schools may be those in areas with lower socio-economic indicators and urban schools[6]. As identified in the Joint Legislative Audit and Review Commission Report on Virginia's K-12 Teacher Pipeline, anecdotal survey data says the top three reason teachers leave the profession are because of inadequate support, high workloads,

[5] James Wyckoff (2023) "Teacher Shortages and Teacher Compensation in Virginia, A Policy Brief"
[6] Goldhaber, D., & Theobald, R. (2022). Teacher Attrition and Mobility in the Pandemic. *Educational Evaluation and Policy Analysis*, 0(0). https://doi.org/10.3102/01623737221139285

and ineffective school leadership. School culture has a significant impact on teacher recruitment and retention.

VDOE annually compiles a staffing and vacancy report[7] that highlights specific shortages across divisions for teaching positions. However, even vacancy rate averages by teacher position mask huge variation across school divisions.

Table. 2022-2023 School Year Staffing and Vacancies Across Virginia Schools (Source: VDOE)

Teacher Group	Positions by FTE	Vacancies by FTE	Percent Unfilled
CTE and other electives	8248.59	314.35	3.8%
Elementary, PK-6	30355.56	1307.79	4.3%
English Language and Literature	7847.75	247.6	3.2%
Life and Physical Sciences	5893.02	209.4	3.6%
Mathematics	6935.11	275.82	4.0%
Social Sciences and History	5971.53	101.77	1.7%
Physical, Health, and Safety Education	5122.43	94.58	1.9%
Special Education	12624.74	736.11	5.8%
Title I	935.54	35.33	3.8%
Visual and Performing Arts	5879.55	120.32	2.1%
World language	2764.92	130.2	4.7%

Examples of Differentiated Pay

Winchester Schools is currently piloting a differentiated pay model for teachers, providing bonuses to teachers who have clearly defined additional responsibilities. In one scenario, these responsibilities include mentoring and coaching other teachers; in another, it involves taking on a more challenging student load using paraprofessional staff to manage larger class sizes. This program, which is currently being explored using federal grant funds, has received positive feedback from their teaching staff. The models being explored in Winchester allow their most effective teachers to influence more students and raise the effectiveness of the overall teaching population. Other states are also piloting these programs.

Richmond City Schools has engaged in differentiated pay for their hardest-to-staff schools as part of a larger bonus pay program at the rate of $2,000 per year to teach at the division's highest need schools[8]. The Richmond program also incentivizes teachers with bilingual skills with another two-thousand-dollar bonus.

Performance Based Pay

Performance based pay systems base compensation methodologies on criteria other than solely years of experience and credentials: often, but not limited to, student performance, growth,

[7] See *Education Workforce Data and Reports* from VDOE website.
[8] See "Richmond Public Schools offer bonuses up to $12,000" from NBC 12 television.

classroom observations, and student/family surveys. Strong performance incentive programs that incorporate professional development and sizable investment can positively impact student performance[9].

Examples of Performance Pay

Virginia has been home to several differentiated pay models. The Work Group included representatives from Goochland and Salem divisions that participated in the Virginia strategic compensation model sponsored by the state in 2013. Divisions modified their evaluation model to assign points to teachers based on performance factors that included student achievement. These Work Group members presented mixed results and outcomes from these pilots and expressed concerns around subjective rankings, inadequate training for principals, and limited implementation support. These Work Group members expressed support for exploring compensation models that do not rank teachers against each other but to a clear and objective rubric or rationale, such as additional responsibilities, and are provided adequate training and support.

Other cities around the country have successfully adopted performance pay systems. Dallas Independent School District developed a new evaluation system that differentiated salaries to reward teachers who raise student achievement results and take on leadership based on nine effectiveness levels[10]. Additionally, they launched a program called Accelerating Campus Excellence (ACE) that paid teacher bonuses between six and twelve thousand dollars per year to teach in schools with the most chronic performance issues[11]. The program raised average achievement at the lowest-preforming schools nearly to the districtwide average. Students who attended targeted schools for two or more years continued to show large increases in achievement in middle school, suggesting lasting improvement in cognitive skills. However, when stipends for these schools were removed, turnover increased and the gains fell substantially[12].

Washington, D.C. instituted a similar pay and evaluation reform IMPACT[13] and saw increases in student performance. Jason Kamras, Superintendent of Richmond Public Schools, led DC Public Schools during development and implementation of this evaluation system. Superintendent Kamras participated in the Work Group session and conversations. The DC Public Schools evaluation system not only rewards highly effective teacher with bonuses of up to twenty-five thousand dollars per year but provides all teachers with clearer expectations and frequent and meaningful feedback that helps improve their practice. The most effective teachers – defined on

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[9] Stone, M. and Peetz, C. (2023) *Does performance-based teacher pay work? here's what the research says*, *Education Week*. Available at: https://www.edweek.org/leadership/does-performance-based-teacher-pay-work-heres-what-the-research-says/2023/06

[10] *Teacher Excellence Initiative / rewarding excellence* (no date) / *Rewarding Excellence*. Available at: https://www.dallasisd.org/Page/84898.

[11] Putman, H. (2023, June 29). Coming up ACEs in Dallas: Differentiated pay for teachers and dramatic gains for students. *National Council on Teacher Quality Bulletin*. https://www.nctq.org/blog/Coming-up-ACEs-in-Dallas:-Differentiated-pay-for-teachers-and-dramatic-gains-for-students

[12] Hanushek, E.A. *et al.* (2023) *The effects of comprehensive educator evaluation and pay reform on achievement*, *NBER*. Available at: https://www.nber.org/papers/w31073.

[13] IMPACT's overview is available from the District of Columbia Public Schools website.

positive impact to student learning – stayed to teach while their most ineffective teachers left the system.

EXPERT REVIEW OF TEACHER LABOR MARKET, TEACHING EFFECTIVENESS AND THE IMPLICATIONS FOR TEACHER COMPENSATION

Research was compiled and presented to the Work Group by four national experts[14]:

- **Dan Goldhaber**, Director of the Center for Analysis of Longitudinal Data in Education Research at the American Institutes for Research and the Director of the Center for Education Data & Research at the University of Washington
- **Eric Hanushek**, Paul and Jean Hanna Senior Fellow at the Hoover Institution of Stanford University.
- **Thomas Kane**, Walter H. Gale Professor of Education at the Harvard Graduate School of Education and the faculty director of the Center for Education Policy Research.
- **Jim Wyckoff,** Memorial Professor of Education and Public Policy, University of Virginia.

These experts lead the nation on economic research on education issues. Together they provided the Work Group a thorough and comprehensive analysis and recommendation from over two decades of research on teachers and the teacher labor market. They also contributed their time in the third meeting, providing the Work Group the opportunity to ask questions, learn more, and hear a conversation between the experts.

A summary of the report is detailed below. The full report is available in the appendix.

- **Highlights from Research:** Over two decades of research on teachers and the teacher labor market have made two empirical truths abundantly clear:
  - First, the way school divisions pay teachers fails to send accurate signals to the teacher labor market about schools' hiring needs.
  - Second, teachers have significant and varied impacts on student outcomes.

- **Differences in School Hiring Needs:** Schools have long had a harder time staffing STEM and special education teaching positions than elementary education positions. Schools also struggle to staff positions if they serve higher proportions of students of color and/or students from low-income households.

- **Teachers' Impacts on Students Vary but Are Not Well-Captured by Credentials:** Two-plus decades of research on teachers shows that teachers have varied impacts on student test scores as well as non-test outcomes, like attendance. These differences in teacher impacts have been found to have important long-run effects on students' college

[14] Goldhaber, D., Hanushek E., Kane T., Wyckoff J. (2023). Teacher Labor Market, Teaching Effectiveness and the Implications For Teacher Compensation.

and labor market outcomes. The challenge for school divisions is that teachers who appear to be similar based on readily observable characteristics (e.g., experience, degree level, licensure status) often still have quite different impacts on students. It is difficult to determine who will be an effective teacher prior to seeing how they perform in the classroom; research finds that the best predictor of a future teacher's performance is that teacher's prior impact on students.

- **Performance Data is Especially Relevant for New Teachers:** Information about a teacher's skill and performance is most valuable early in his or her career, when teacher turnover is highest and when teachers are most sensitive to differences in. If schools know earlier who their highest performing teachers are, they can retain them by offering them greater pay and promotion opportunities. It is also the time when it would be least painful for teachers and supervisors to make high-stakes separation decisions.

- **Teachers Respond to Incentives:** There is abundant evidence that—like employees in other sectors of the economy—teachers do respond to incentives.

WORK GROUP THEMES

The Work Group was made up of a diverse group, representing teachers, school administrators, parents, finance administrators, and division superintendents. Over the course of four meetings, the Work Group engaged in thoughtful and in depth conversations about best practices in Virginia. The Work Group meetings encouraged conversations – which every participant engaged in, highlighted local school division approaches, and showcased examples from the countries most respected researchers on the topic including Dan Goldhaber, Eric Hanushek, Thomas Kane, and Jim Wyckoff.

The Work Group meetings were rich and robust and fueled by data and research. Appendix C includes each meeting agenda and a summary of each meeting. Themes that emerged during our meetings included:

1. **Virginia teachers deserve competitive compensation. The Work Group was asked to define "competitive compensation."**

The Work Group clearly identified that teacher salaries need to be competitive to recruit prospective individuals to the profession and retain highly qualified teachers in the profession. The Work Group discussed a need to ensure teacher salaries across the state support themselves particularly given cost of living and inflationary increases.

2. **The definition of competitive compensation should vary across the Commonwealth to reflect differences in regional markets, role types, competitive degree opportunities, and teacher responsibilities.**

The Work Group identified that the Commonwealth has varying labor market conditions and needs. Four leading experts on teacher compensation strategies presented how "the way school divisions pay teachers fails to send key signals to the teacher labor market about schools' hiring needs." The Work Group discussed differences in regional markets that result in very different

competitive salaries – some regions compete across state lines and with Washington, DC that require much higher wages to attract and retain teachers.

The Work Group also identified that not all teaching positions have the same level of responsibility and skillsets. Like other professions, certain roles require more responsibility and different skillsets that compete in different labor markets. One member said: "Just as all engineers do not make the same salary, teacher salaries should be differentiated as well." The Work Group highlighted models across Virginia that are compensating teachers who have additional responsibilities. For example, Winchester City Schools implemented the Opportunity Culture Initiative, which identifies different leadership opportunities for teachers with records of high-growth student learning.

The Work Group acknowledged staffing challenges are not new and schools have historically had a harder time to fill certain positions, such as special education or some STEM-related disciplines in secondary education. The group also discussed further regional differences and how some divisions may have other hard-to-fill positions based on their location. Experts who presented to the group also highlight how schools struggle to staff positions if they serve higher proportions of students of color or students from low-income households. These schools also experience higher attrition and thinner applicant pools for open positions.[15][16][17]

3. **To ensure competitive wages, pay scales need to be attractive enough to recruit and incentivize high performing teachers to stay in the classroom and work in high need roles and placements and invest in high performing teachers early in their career (years 0-5).**

The Work Group also discussed that teacher performance is not well aligned with total years of experience or credentials and that school divisions should work toward capturing and nurturing teachers during their first five years of employment. Starting teacher pay should be strategically increased to incentivize teachers into the career, and subsequent pay should reward those who are most effective at helping students succeed academically.

4. **School divisions, principals, and teachers should be included in designing and implementing teacher compensation strategies.**

The Work Group discussed several compensation strategies that have been implemented across the Commonwealth with varying levels of success. The Work Group expressed the importance of including school divisions, principals, and teachers in conversation about designing and implementing compensation strategies to ensure systems are effective, do not create hostile or negative work environments, and are implemented fairly and consistently.

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[15] Goldhaber, D., & Theobald, R. (2022). Teacher Attrition and Mobility in the Pandemic. *Educational Evaluation and Policy Analysis*, 0(0). https://doi.org/10.3102/01623737221139285.

[16] Hanushek, E. A., Kain, J. F., & Rivkin, S. G. (2004). Why Public Schools Lose Teachers. *The Journal of Human Resources*, *39*(2), 326–354. https://doi.org/10.2307/3559017

[17] James, J., Kraft, M. A., & Papay, J. P. (2023). Local supply, temporal dynamics, and unrealized potential in teacher hiring. *Journal of Policy Analysis and Management*, 00, 1–35. https://doi.org/10.1002/pam.22496

5. **School divisions and principals should be empowered to differentiate salaries for high need roles, subjects, specialty areas, school types, and for additional responsibilities.**

The Work Group discussed the importance of supporting differentiation and flexibility across the Commonwealth. Just as every division needs autonomy to address their market conditions and needs, every school needs to be able to address their community needs. The Work Group expressed the importance of leveraging school divisions and principal knowledge of their needs and empowering those stakeholders to differentiate salaries based on the needs they identify.

6. **If school divisions choose to use differentiated models, competitive compensation models can reward teacher effectiveness but must be clear, fair, and reliable.**

The Work Group discussed several models and options for compensation that rewards teacher effectiveness. As presented by the experts to the group, "well designed pay reforms can improve teacher performance and student achievement." The group discussed these and agreed they were beyond the scope of SB1215, while acknowledging that adopting a performance-based pay program would need to be carefully designed to ensure fairness and reliability. This would require statewide support in helping divisions modify their evaluation programs, verify data, and implement strategies; this support might include state funding of additional school administrators, professional development, and department position to implement a new evaluation protocol more effectively.

WORKGROUP RECOMMENDATIONS

Considering the research presented and deliberation, the Work Group makes the following recommendations to the General Assembly pursuant to its statutory charge:

1. **The definition of competitive compensation needs to be flexible to allow for variabilities in roles, responsibilities, and regions.**

The majority of Work Group members agreed a one-size-fits-all definition of competitive pay for all teachers in Virginia does not account for necessary differences in markets by region, degree type, responsibilities and needs. Different regions of the county that touch Virginia create different market places and thus change the definition of competitiveness. Similarly different degree types compete in different markets and responsibilities vary for certain schools and roles impacting what is competitive for that position. Both options of a) preserving the current definition of competitive and b) amending the definition to an alternative metric, including the median annual salary of a Virginia worker who is 25 years of age or older and has a bachelor's degree do not reflect the varied needs and economic realities across the Commonwealth. The majority of the Work Group recommends that the definition of competitive teacher pay acknowledges that different teacher positions, schools, and regional locations have different competitive benchmarks.

2. **The Commonwealth needs to continue to invest in teacher compensation, with a focus on recruiting and retaining highly effective teachers in high need areas.**

All of Virginia's teachers should be paid a competitive wage for the critically important work they do to educate our Commonwealth's youth. Virginia needs to prioritize investment in hard to staff positions and school environments to incentivize high quality teachers to fill those positions.

3. **Competitive compensation should not be limited to salary (i.e., benefits, pension, flex time, etc.)**

A teacher's total compensation is comprised of more than just their salary. Additional benefits such as shorter contract terms (10-11 months versus a year), pensions, and health insurance should also be evaluated and made competitive to attract and retain high quality teachers in the Commonwealth. The Work Group also recommended that divisions consider flex time benefits that allow teachers flexibility in their schedules on certain days per year such as arriving later or early release for professional development or personal needs.

4. **School divisions should be empowered to differentiate compensation based on regional labor markets, role types, competitive degree opportunities, and responsibilities.**

Specifically, the majority of the Work Group identified that salaries need to be differentiated the following:

- **Regional Labor Market**s: Each county and region in the Commonwealth has different costs of living and competes in different job markets, including across state lines, resulting in wide ranges in average salaries and requirements for a competitive salary.
- **Role Type**: Certain positions have historically dealt with higher vacancies than others such as STEM fields and special education. To recruit and retain teacher to these positions differentiated salaries are necessary.
- **Competitive Degrees**: Teacher positions require different degrees, and those degrees compete against very different market opportunities. For example, STEM fields, with the same degree, compete against much higher paying positions. To be competitive, these positions need to reflect differentiated salaries.
- **Responsibilities**: There should be opportunities for teachers to take on additional leadership roles while staying in their classrooms and teachers should be compensated for those additional responsibilities. For example, these roles could include mentor teachers, small group advisors, and team leads.

5. **An effective teacher compensation system requires an investment in a teacher data system to provide real-time information and allow the state to better understand, support, and invest in teachers.**

Virginia must invest in data systems. VDOE is working to develop this capacity as quickly as possible, but it is critical the Commonwealth has real-time information on teacher employment, vacancies, salaries, and links to student information to allow the state to better understand what

salaries are competitive and provide valuable information to support the development and training of our teachers.

The state needs up-to-date and real time data, which requires more than a one-off annual calculation on teacher compensation. Enhanced data systems could easily determine real-time public school teacher compensation and the commensurate flat percentage increase to the state share of salary funding for Standards of Quality-supported positions.

APPENDICES

APPENDIX A: SB 1215, AS APPROVED

CHAPTER 725

An Act to require the Department of Education to convene a stakeholder work group to consider definitions for and calculations of competitive public elementary and secondary school teacher compensation report. [SB 1215]

Approved March 27, 2023

Be it enacted by the General Assembly of Virginia:

1. § 1. The Department of Education (the Department) shall convene a work group no later than August 15, 2023, consisting of school board representatives, division superintendents, public elementary and secondary school teachers, parents of public elementary and secondary school students, representatives of major associations representing public elementary and secondary school staff, and such other stakeholders as the Department deems appropriate to consider and make recommendations in the form of a publicly available report posted on the Department website and addressed and sent to the Chairmen of the House Committee on Education and the Senate Committee on Education and Health no later than November 1, 2023, on the appropriateness, feasibility, potential fiscal impact, and potential unintended consequences of (i) preserving the definition of the term "competitive" contained in § 22.1-289.1 of the Code of Virginia, as applied to the compensation of public elementary and secondary school teachers; (ii) amending such definition to incorporate an alternative metric, including the median annual salary of a Virginia worker who is 25 years of age or older and has a bachelor's degree; and (iii) requiring the Department or another entity to conduct an annual calculation to determine public school teacher compensation and the commensurate flat percentage increase to the state share of salary funding for Standards of Quality-supported positions that is necessary to make such compensation competitive under any such definition

APPENDIX B: WORKGROUP MEMBER LIST

State Staff

- The Honorable Aimee Rogstad Guidera, Secretary of Education
- The Honorable Emily Anne Gullickson, Deputy Secretary of Education
- The Honorable Dr. Lisa Coons, Superintendent of Public Instruction
- Dr. Jeremy Raley, VDOE Chief of Staff
- Ms. Justine Taylor-Raymond, Assistant Secretary of Education
- Mr. Rob Gilstrap, VDOE Assistant Superintendent of Educator Preparation
- Dr. John Hendron, VDOE Program Manager for Professional Learning

Virginia Education Practitioners

- Mr. Travis Maxwell, High school teacher, Region 7
- Mr. Noah Ashbrook, High school teacher, Region 7
- Mr. John Augenbaugh, Teacher, High school career and technical education (CTE), Region 1
- Ms. Jessica Blandy, Parent, Roanoke Central Council PTA, Region 6
- Ms. Jessica Duren, Virginia Association of Elementary School Principals, Region 2
- Dr. Kelvin Edwards, Superintendent, Greensville County Public Schools, Region 8
- Dr. Curtis Hicks, Superintendent, Salem City Public Schools, Region 6
- Mr. Jason Kamras, Superintendent, Richmond City Public Schools, Region 1
- Mr. Michael Kelly, Virginia Association of Secondary School Principals, Region 2
- J.T. Kessler, Virginia School Boards Association
- Ms. Joy Kirk, Middle school Teacher, Region 4
- Mr. John Matherly, Principal, Region 5
- Mr. Ben Pearson-Nelson, Virginia PTA, Region 1
- Ms. Kim Rygas, Principal, Region 6
- Ms. Tequisha Stiles, Middle school teacher, Region 8
- Dr. Thomas Taylor, Superintendent, Region 3
- Dr. Jason Van Heukelum, Superintendent, Winchester Public Schools, Region 4
- Ms. Debbie White, Virginia Association of School Business Officers, Region 1
- Ms. Nicole Drummond, Virginia PTA, Region 2

Invited Guest Experts

- **Dan Goldhaber**, Director of the Center for Analysis of Longitudinal Data in Education Research at the American Institutes for Research and the Director of the Center for Education Data & Research at the University of Washington
- **Eric Hanushek**, Paul and Jean Hanna Senior Fellow at the Hoover Institution of Stanford University.
- **Thomas Kane**, Walter H. Gale Professor of Education at the Harvard Graduate School of Education and the faculty director of the Center for Education Policy Research.
- **Jim Wyckoff,** Memorial Professor of Education and Public Policy, University of Virginia.

APPENDIX C: MEETING AGENDAS

August 10, 2023
5:00-6:30 PM
James Monroe Building—22nd Floor
Attendees: Secretary Guidera, Deputy Secretary Gullickson, Superintendent Coons, Dr. Raley, Ms. White, Dr. Pearson-Nelson, Mr. Ashbrook, Ms. Stiles, Mr. Augenbaugh, Dr. Van Heukelum, Dr. Taylor, Dr. Hicks, Dr. Edwards, Ms. Rygas, Mr. Kelly, Ms. Blandy, Ms. Duren, Dr. Hendron

1. Introduction – Highlights of SB 1215
2. Discussion of Current Issues Related to Teacher Compensation

August 24, 2023
5:00-6:30 PM
James Monroe Building – 22nd Floor
Attendees: Secretary Guidera, Deputy Secretary Gullickson, Superintendent Coons, Dr. Raley, Ms. Taylor-Raymond, Ms. White, Mr. Kamras, Dr. Pearson-Nelson, Ms. Stiles, Mr. Augengaugh, Dr. Van Heukelum, Dr. Hicks, Ms. Rygas, Mr. Kelly, Ms. Blandy, Ms. Duren, Mr. Matherly, Mr. Kessler, Mr. Gilstrap, Ms. Kirk, Dr. Hendron

1. Introduction
2. Hearing From Those Divisions with Performance Pay Programs
    a. Dr. Curtis Hicks, Salem City Schools
    b. Mr. Jason Kamras, Richmond City Schools; experiences with Washington, D.C. City Schools
    c. Dr. Jason Van Heukelum, Winchester City Schools
3. Workgroup Reactions to Salary Data

September 28, 2023
5:00-6:30 PM
James Monroe Building—22nd Floor
Attendees: Secretary Guidera, Deputy Secretary Gullickson, Superintendent Coons, Dr. Raley, Ms. Taylor-Raymond, Ms. White, Mr. Kamras, Mr. Pearson-Nelson, Ms. Stiles, Dr. Van Heukelum, Dr. Hicks, Ms. Rygas, Mr. Kelly, Ms. Blandy, Ms. Duren, Mr. Matherly, Mr. Gilstrap, Dr. Edwards, Ms. Kirk, Dr. Hendron, Drs. Goldhaber, Hanushek, Wyckoff, and Kane.

1. Introduction
2. Guest Presentations
    a. Dr. Goldhaber – The Labor Market
    b. Dr. Hanushek – Programs That Address Better Student Outcomes
    c. Dr. Kane – Reforms in the first 5 years of teaching
    d. Dr. Wyckoff – Teacher Study in Virginia
3. Discussion

October 12, 2023
5:00-6:30 PM
James Monroe Building—22nd Floor

Attendees: Deputy Secretary Gullickson, Dr. Coons, Dr. Raley, Ms. Taylor-Raymond, Ms. Kirk, Ms. Stiles, Dr. Edward, Mr. Matherly, Ms. White, Dr. Pearson-Nelson, Ms. Stiles, Dr. Hicks, Dr. Edwards, Mr. Matherly, Ms. Rygas, Mr. Kelly, and Mr. Gilstrap.

1. Introduction
2. Discussion of key themes and potential recommendations
    a. Small group breakout
    b. Whole group debrief

APPENDIX D: SALARY DATA

Table 1. U.S. State Average Teacher Salaries (2020-2021) with Cost of Living Index (2023) Sources: VDOE Teacher Salary Survey Results 2021-2022 and Missouri Economic Research and Information Center. The United States 2020-2021 salary average was $65,293.

Rank	State	2020-2021 Salary Average ($)	Cost of Living Index (2023)
1	New York	90,222	126.6
2	Massachusetts	86,755	143.1
3	California	85,856	139.7
4	District of Columbia	80,659	149.7
5	Connecticut	79,742	114.4
6	Washington	79,388	115.5
7	New Jersey	77,677	111.7
8	Rhode Island	75,966	111.8
9	Maryland	74,066	120.7
10	Alaska	73,061	125.3
11	Pennsylvania	71,479	97.0
12	Hawaii	70,922	181.5
13	Illinois	70,705	92.1
14	Oregon	68,565	116.2
15	Minnesota	66,561	95.6
16	Delaware	65,141	103.3
17	Michigan	62,262	92.1
18	Ohio	63,082	91.4
19	Vermont	62,483	115.6
20	New Hampshire	61,849	114.6
21	Georgia	60,553	89.3
22	Wyoming	60,234	92.1
23	Wisconsin	59,992	95.1
24	Iowa	58,832	89.9
25	Virginia	58,506	102.6
26	Colorado	58,183	104.8
27	Nevada	58,167	101.7
28	Texas	57,641	92.9
29	Utah	57,226	102.7
30	Maine	57,167	112.5
31	Nebraska	56,463	91.3
32	New Mexico	54,923	94.1
33	North Dakota	54,837	96.0
34	Oklahoma	54,762	86.9
35	Alabama	54,271	88.2

Rank	State	2020-2021 Salary Average ($)	Cost of Living Index (2023)
36	Kentucky	54,139	94.5
37	Kansas	53,619	87.2
38	North Carolina	53,458	95.8
39	South Carolina	53,188	96.4
40	Montana	53,133	103.0
41	Indiana	53,072	91.5
42	Tennessee	52,871	90.4
43	Louisiana	52,472	92.2
44	Arizona	52,157	107.1
45	Idaho	51,817	99.2
46	Arkansas	51,668	90.1
47	Missouri	51,557	89.9
48	Florida	51,009	101.9
49	West Virginia	50,261	89.3
50	South Dakota	49,547	93.4
51	Mississippi	46,862	86

Table 2. Average Annual Starting Salaries by State, 2019-20. Source: *Understanding Teacher Compensation: A State-by-State Analysis*, Learning Policy Institute, April 2022, NEA 2019-2020 Teacher Salary Benchmark Report.

State	**Average Annual Starting Teacher Salary**
Washington, DC	$56,313
New Jersey	$53,177
California	$49,303
Washington	$49,113
Alaska	$48,469
Hawaii	$48,428
Maryland	$47,959
Massachusetts	$47,396
New York	$47,181
Connecticut	$46,905
Wyoming	$46,558
Pennsylvania	$46,232
Texas	$44,582
Rhode Island	$43,569
Delaware	$43,092
Utah	$43,026
Virginia	$42,069
Louisiana	$41,747
New Mexico	$41,214
U.S. Average	$41,163

State	Average Annual Starting Teacher Salary
Alabama	$41,028
Nevada	$40,732
Illinois	$40,484
Minnesota	$40,310
South Dakota	$39,636
Arizona	$39,057
New Hampshire	$38,990
Tennessee	$38,809
Florida	$38,724
Wisconsin	$38,678
Georgia	$38,509
Kansas	$38,314
Oregon	$38,280
Idaho	$38,015
Oklahoma	$37,992
West Virginia	$37,978
Iowa	$37,908
Indiana	$37,573
Ohio	$37,569
South Carolina	$37,550
Michigan	$37,549
Kentucky	$37,238
North Carolina	$37,049
Mississippi	$36,543
Maine	$36,380
Nebraska	$35,820
Colorado	$35,292
Arkansas	$35,970
Missouri	$32,970
Montana	$32,871

Table 3. Teacher Wage Competitiveness by State. Source: Learning Policy Institute, Allegretto, S., & Mishel, L. (2020). Teacher Pay Penalty Dips but Persists in 2019: Public School Teachers Earn About 20% Less in Weekly Wages Than Nonteacher College Graduates.

This index represents the "average school teacher weekly wage as a percentage of the estimated weekly wage for other college-educated workers within each state. Weekly wages provide a comparison that adjusts for any differences in the work year across occupations."

State	Wage Competitiveness Index (%)
Wyoming	98.0
Rhode Island	97.9
New Jersey	96.9
Alaska	90.3
Delaware	90.2
Hawaii	89.1
Maryland	88.6
New York	88.0
Vermont	87.3
Pennsylvania	87.0
South Carolina	86.6
Connecticut	86.5
Iowa	85.3
Mississippi	84.8
Ohio	84.8
California	84.5
Michigan	84.1
North Dakota	83.6
Nevada	83.4
Arkansas	82.3
Nebraska	82.3
Massachusetts	82.0
South Dakota	82.0
New Hampshire	81.8
West Virginia	81.8
Illinois	81.3
U.S. Average	80.8
Florida	80.7
Montana	80.6
Wisconsin	80.1
Idaho	79.1
Washington, D.C.	78.7
Indiana	78.7

State	Wage Competitiveness Index (%)
Tennessee	78.6
Kansas	78.2
Texas	78.1
Kentucky	77.8
Minnesota	77.5
Maine	76.9
Louisiana	76.7
Utah	76.7
Missouri	75.9
Alabama	75.4
Georgia	74.9
North Carolina	74.7
Oregon	72.7
Washington	71.9
Colorado	71.2
Oklahoma	71.0
New Mexico	70.5
Arizona	68.2
Virginia	67.3

Table 4. Regional Salary Comparisons, 2021. Source: SREB Teacher Compensation Dashboard.

	Virginia	North Carolina	Tennessee	Maryland
Average Starting Salary – Bachelor's Degree	$42,251	$37,127	$39,024	$48,510
Average Top Salary, Bachelor's Degree	$66,844	$55,160	$52,091	$64,972
Average Top Salary	$72,255	$63,359	$64,967	$95,142

Table 5. School Division Salary Comparisons FY 2022. Source: VDOE 2021-2022 Teacher Salary Survey Results, January 2023. *County divisions are listed first, above city divisions.*

Division	FY 22 Average Teacher Salary
Arlington County	88,530
Falls Church City	85,849
Alexandria City	82,972
Loudoun County	79,369
Fairfax County	77,537
Manassas City	74,788
Prince Wiliam County	72,883

Division	FY 22 Average Teacher Salary
Williamsburg City	68,995
Manassas Park City	66,761
Louisa County	66,404
Charlottesville City	66,283
Dinwiddie County	65,552
Hanover County	65,463
Suffolk City	64,482
Chesapeake City	64,304
Virginia Beach City	64,011
Norfolk City	63,851
York County	62,990
Salem City	62,718
Rappahannock County	62,662
Powhatan County	62,574
Stafford County	62,008
Newport News City	61,861
Bristol City	61,107
Albemarle County	61,079
Cumberland County	60,404
Colonial Heights City	60,342
Charles City County	60,039
Frederick County	60,028
Warren County	59,921
Roanoke City	59,871
Harrisonburg City	59,664
Fredericksburg City	59,536
Westmoreland County	59,339
Fauquier County	59,299
Mathews County	58,984
Nottoway County	58,593
Isle of Wight County	58,541
Henry County	58,123
Clarke County	58,077
Gloucester County	57,960
Hampton City	57,929
Surry County	57,919
Botetourt County	57,898
Covington City	57,870
Middlesex County	57,801
Nelson County	57,723

Division	FY 22 Average Teacher Salary
Spotsylvania County	57,720
Accomack County	57,536
Portsmouth City	57,486
Amelia County	57,395
Washington County	57,209
Lancaster County	57,190
Hopewell City	56,762
Goochland County	56,748
Montgomery County	56,643
Sussex County	56,640
Richmond County	56,468
Chesterfield County	56,444
Essex County	56,277
Lunenburg County	56,276
Franklin City	56,270
Henrico County	56,251
Staunton City	56,182
Shenandoah County	56,039
Poquoson City	55,716
Northumberland County	55,617
Winchester City	55,468
New Kent County	55,449
Richmond City	55,361
Danville City	55,049
Fluvanna County	54,847
Prince George County	54,846
King George County	54,800
Rockingham County	54,540
Orange County	54,425
Norton City	54,238
Lee County	54,228
Radford City	54,165
Culpeper County	54,118
Greene County	53,927
Franklin County	53,910
Rockbridge County	53,730
Carroll County	53,705
King William County	53,696
Roanoke County	53,580
Buena Vista City	53,477

Division	FY 22 Average Teacher Salary
Madison County	53,437
Buckingham County	53,390
Augusta County	53,123
King and Queen County	52,930
Waynesboro City	52,894
Pulaski County	52,854
Petersburg City	52,791
Campbell County	51,978
Lynchburg City	51,675
Pittsylvania County	51,665
Appomattox County	51,615
Bland County	51,614
Halifax County	51,519
Wise County	51,425
Scott County	51,289
Amherst County	51,209
Bath County	50,811
Patrick County	50,756
Martinsville City	50,718
Southampton County	50,617
Page County	50,595
Bedford County	50,531
Caroline County	50,453
Lexington City	50,277
Wyth County	49,966
Alleghany County	49,941
Floyd County	49,887
West Point	49,796
Highland County	49,189
Smyth County	48,709
Galax City	48,682
Colonial Beach	48,617
Charlotte County	48,398
Tazewell County	48,159
Grayson County	47,615
Buchanan County	47,128
Northampton County	47,064
Brunswick County	47,013
Mecklenburg County	46,539
Giles County	46,325

Division	FY 22 Average Teacher Salary
Craig County	45,312
Dickenson County	43,121
Russell County	43,101
Greensville County	38,501
Prince Edward County	N.D.

Table 6. Teacher Turnover Data. Source: NCTQ Report, September 2017

Turnover rates based on population classification, United States

Teacher Turnover (% by year)	Population Classification
8.4	Rural Areas
6.4	Towns
7.3	Suburbs
7.9	Cities

Turnover rates based upon higher rates of poverty, United States

Teacher Turnover (% by year)	School Socioeconomic Classification
6.9	Affluent Schools
9.8	High-Poverty Schools

Figure 1. 2023-2024 Critical Shortage Teaching Endorsement Areas, Virginia. Source: VDOE Report

For the 2023-2024 school year, the most needed teachers by endorsement area are the following:

1. Special Education, PreK-12
2. Elementary Education PK-6
3. Middle Education Grades 6-8
4. Career and Technical Education
5. Science (Secondary)
6. Mathematics (Grades 6-12, including Algebra I)
7. English (Secondary)

APPENDIX E: TEACHER LABOR MARKETS, TEACHING EFFECTIVENESS AND THE IMPLICATIONS FOR TEACHER COMPENSATION

By Dan Goldhaber, Eric Hanushek, Thomas Kane, Jim Wyckoff

Over two decades of research on teachers and the teacher labor market have made two empirical truths abundantly clear. First, the way school divisions pay teachers fails to send key signals to the teacher labor market about schools' hiring needs. Second, teachers have significant and varied impacts on student outcomes. The related disconnect between teacher pay, school hiring needs, and teacher quality creates a host of issues that make it harder for schools to ensure

that all students have access to effective teachers. Given this, we recommend states and divisions restructure teacher compensation to differentiate by subject/specialty area, school type, and performance. In this memo, we argue that recent evidence underscores the need for differentiated compensation in schools and—crucially—highlights factors that can help it succeed.

Differences in School Hiring Needs

Teacher staffing challenges (often referred to as "teacher shortages") have dominated the news during the COVID-19 pandemic. But staffing challenges are not new. Schools have long had a harder time staffing STEM and special education teaching positions than elementary education positions (Cowan et al., 2015). Schools also struggle to staff positions if they serve higher proportions of students of color and/or students from low-income households. Schools serving these groups of students tend to have higher rates of teacher attrition (Goldhaber and Theobald, 2022; Hanushek et al., 2004), more job vacancies (Goldhaber et al., 2023), and thinner applicant pools for open positions (James et al., 2023). No matter the measure, there is ample evidence that teacher quality is inequitably distributed across students (Goldhaber et al., 2015; Lankford et al., 2002). Although these problematic patterns have been documented for decades, public education has continually failed to address them systematically.

Teachers' Impacts on Students Vary, But Aren't Well-Captured by Credentials

A second hallmark of two-plus decades of research on teachers is that teachers have varied impacts on student test scores (e.g., Aaronson et al., 2007; Rivkin et al., 2005) as well as non-test outcomes, like attendance (e.g., Backes et al., 2023; Jackson, 2018; Kraft, 2019). These differences in teacher impacts have been found to have important long-run effects on students' college and labor market outcomes (Chetty et al., 2014). The challenge for school divisions is that teachers who appear to be similar based on readily observable characteristics (e.g., experience, degree level, licensure status) often still have quite different impacts on students. Although we know teachers tend to become more effective during their early careers, it is difficult to determine who will be an effective teacher prior to seeing how they perform in the classroom (Gordon et al., 2006); indeed, research finds that the best predictor of a future teacher's performance is that teacher's prior impact on students (Atteberry et al., 2015).

The Way We Currently Pay Teachers Ignores These Differences

The prevailing pay structure for public school teachers—the single salary schedule—fails to recognize that some positions are harder to fill than others, and that some teachers are more effective than others. The uniform salary schedule is often justified by appealing to egalitarianism, in that it treats every teacher "the same". However, the absence of differentiation in pay cannot erase the very real differentiation in work environments in schools and in pay opportunities outside of teaching. By ignoring these differences, the uniform schedule may be seen as egalitarian from a teacher perspective, but it creates inequities for students and often the *wrong* incentives. For example, if certain schools are more challenging places to work because student and family needs are greater, then paying teachers the same no matter where they work incentivizes teachers to move toward schools where students and families have *less* need. If teachers with a background in science and engineering have higher wage opportunities outside of teaching, then a uniform salary schedule *discourages* teachers with such a background from entering teaching.

Teacher pay is typically not differentiated based on subject, school working conditions, or performance. Ignoring these differences would not matter much if teachers failed to respond

to financial incentives. But there is abundant evidence that—like employees in other sectors of the economy—teachers do respond to incentives. Research on incentives to *address staffing challenges*, for example, finds that extra pay for hard-to-staff subjects and schools influences the workforce decisions of teachers and increases the likelihood of recruiting or retaining teachers in high-needs areas (e.g., Clotfelter et al., 2008; Cowan and Goldhaber, 2018; Feng and Sass, 2018; Morgan et al., 2023; Theobald et al., 2023). Indeed, the call for raising pay to deal with COVID teacher shortages presumes that prospective teachers respond to incentives.

Evidence on how teachers respond to incentives for *performance* presents a more complicated picture. Many people conclude that the national push for performance incentives and evaluation reform during the Obama administration was a failure. Indeed, the best evidence suggests these reforms failed to improve teacher workforce quality nationwide (Bleiberg et al., 2021; Kraft et al., 2020). But a national look at these reforms' masks striking examples of success at the district level, where pay and evaluation reforms in some cases improved student achievement by changing who was in the workforce and how productive they were (Biasi, 2021).

For example, research suggests the longstanding pay and evaluation reform in Washington, DC schools (known as IMPACT) significantly improved teacher performance in the district for over a decade (Dee and Wyckoff, 2015; Dee et al., 2021). Evidence from a recent pay and evaluation reform in the Dallas Independent School District provides further evidence that well-designed pay reforms can improve teacher performance and student achievement (Hanushek et al., 2023).

The Path Forward

For effective teacher compensation policy, the direction forward is clear: states and divisions should increase compensation in subject areas and schools with acute staffing needs and these salary increases should be conditioned on evidence of teacher effectiveness. In a world of constrained resources, such targeted salary increases will be both more feasible and more effective than across-the-board pay increases. By contrast, broad-based pay increases end up being spread too thin and do little to encourage prospective teachers to pursue high-needs areas or address equity concerns about the extent to which effective teachers are fairly distributed across students (Dee and Goldhaber, 2017). To address shortages of high-quality teachers that disproportionately affect some schools and subjects, policy should provide targeted pay increases to effective teachers working in high-poverty schools and shortage subjects.

Reforming pay to recognize different staffing needs is relatively straightforward. But linking pay to teacher performance is more complex, especially regarding what is being rewarded. For example, it matters whether the source of variation in performance is effort or talent and accumulated skills. If the primary driver of performance is effort, then it only makes sense to reward based on the most recent performance. If the underlying source is talent/skill, then systems could make longer-term commitments based on several years of performance. Systems that reward teachers for only the most recent year gains of students have generally not found positive impacts (e.g., Marsh et al., 2011; Springer et al., 2010, 2012; Yuan et al., 2013)—perhaps because the primary driver of difference in teacher performance is talent/accumulated skill, rather than effort alone.

On the other hand, performance pay programs linked to well-implemented and rigorous teacher evaluation—which make longer-term commitments to teachers based on demonstrated skill and a track record of positive impacts on students—have been shown to be effective. For example, in Washington DC's IMPACT program, incentives led to more top teachers staying

while more low-performing teachers left (both voluntarily and involuntarily). Designing and implementing performance pay tied to differentiated teacher evaluation is challenging and time consuming, but feasible.

Incentivizing performance has implications that go beyond compensation reform. For example, performance-focused reforms, like those in Washington, DC, need to be part of a larger set of human resource management reforms that rethink how schools monitor, support, evaluate, and pay teachers. One reason that the teacher policy reforms of the Obama era did not meaningfully change outcomes in many divisions is that school systems failed to align all the components of their human resource management systems (Goldhaber and DeArmond, 2023). In most states, evaluation systems adopted in the 2010s failed to effectively distinguish teachers based on performance—everyone received similar ratings (Kraft and Gilmour, 2017). Without capturing meaningful variation in performance, evaluations cannot inform decisions about development or pay, let alone decisions about teacher training and preparation (Goldhaber, 2019).

Information about a teacher's skill and performance is most valuable early in his or her career, when teacher turnover is highest and when teachers are most sensitive to differences in salary (e.g., Hendricks, 2014, 2015; Johnston, 2022). If schools know earlier who their highest performing teachers are, they can retain them by offering them greater pay and promotion opportunities. It's also the time when it would be least painful for teachers and supervisors to make high-stakes separation decisions. But that requires investment—in pulling together a teacher's track record of impacts on students, and in more frequent classroom observations to meaningfully differentiate performance. Accordingly, school divisions should focus their limited resources on teacher evaluation that is tied to appropriate incentives during the first five years of a teacher's career.

A Role for States

School divisions need local discretion when it comes to managing their teacher workforces. What works in a labor market with lots of available, skilled workers may not work where there is less teacher talent available. But states also have an important role to play. States can act in three ways: by providing incentives for district actions, by setting requirements for divisions, and by providing guidance and information.

State Incentives. Divisions can be incentivized to engage in reform by making bonuses immediately available to teachers in high-poverty schools and shortage subjects, with the condition that divisions accepting these bonuses commit to implementing locally designed, state-approved evaluation systems that differentiate pay by measured teacher effectiveness. Another example comes from the school finance reforms of HB3 in Texas, which incentivized performance pay. Texas provides grants to individual districts if they have an outcome-based teacher evaluation system and if they use it to provide financial incentives for effective teachers to move to schools serving disadvantaged populations. This incentive fund is designed to build on successful strategies implemented in Dallas Independent School District without mandating specific approaches that might not work in other districts.

State Requirements. States can require divisions to collect evidence about teachers' impacts on student learning and other outcomes to inform objective measures of teacher effectiveness. Because some individual school systems may not have the capacity or political will to measure teacher quality or benchmark themselves against other divisions, states should use this information to provide objective evidence on teacher performance. States can also

require divisions to consider performance for professional advancement, by redesigning their licensure systems to include performance based milestones (e.g., through a tiered licensure system). Given that schools learn a lot more about a teacher's effectiveness during the first years on the job, states may have a role to play in delaying full licensure until after the first several years of teaching. For instance, states could provide promotion opportunities and career pathways to teachers with strong early career track records. They could require that teachers with poor early career track records be removed so they do not continue to harm students.

State Guidance and Support. The design and implementation of human resource policies that satisfy state requirements is a district responsibility, but many divisions may lack the capacity, experience, or political will to build well-designed and well-implemented systems. States can support the design and implementation of teacher evaluation by sharing best practices and providing support tailored to district needs. Research suggests that, when objective information about teacher performance is available, principals use that information when making decisions (e.g., Loeb et al., 2015; Rockoff et al., 2012). Having high-quality performance information is especially important given how difficult it is to determine who will be an effective teacher before they start teaching. State support for district evaluation systems can help ensure that district reforms function as intended and are not in name only. For example, if the state uses its longitudinal data to measure teachers' student achievement gains and if divisions establish their own metrics for assessing classroom performance, a state could verify that the ratings provided during classroom observation are correlated with the achievement gain measures. Such oversight is possible (e.g., Glazerman et al., 2011), but it requires leadership, commitment, and strategic purpose.

Summary

For too long, teacher compensation and related human resources policies have contributed to public school staffing challenges, which, in turn, have contributed to declining student performance in many schools. Effective teachers need to be well-compensated. In many schools, they are not. To be most effective, states should support school divisions in creating pay systems that provide teachers with financial incentives so that our lowest-performing schools are staffed with our most effective teachers.

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APPENDIX F: JLARC Virginia's K-12 Teacher Pipeline

Report Executive Summary

Key findings:

- Statewide, teacher vacancies and reliance on less than fully licensed teachers have increased.
- Some divisions are facing substantial teacher workforce problems; others are not.
- Direct pathways to licensure tend to better prepare teachers to be successful in the classroom.
- Indirect pathways give individuals flexibility to obtain credentials over time and cost less.
- Teacher pathways have tradeoffs between quality and affordability.
- The Virginia-specific assessment requirement for teacher preparation programs may be an unnecessary barrier.
- Tuition, assessments, and unpaid student teaching present financial barriers to some participants in traditional preparation programs.
- Licensure requirements and processes can seem complex and are unclear to some applicants.
- Factors other than barriers to preparation program participation and the licensure process are primary reasons for the state's teacher shortage.

Recommendations:

- Legislative action
    - Authorize a waiver that allows higher education teacher preparation programs to recommend qualified individuals who have not passed the Virginia Communication and Literacy Assessment (VCLA) to receive full teacher licensure.
    - Increase funding for the Virginia Teaching Scholarship Loan Program.

- Executive Action
    - Replace the VCLA with a relevant and nationally recognized test or remove it as a requirement for full teacher licensure.
    - List on the VDOE website the (i) courses that fulfill licensure requirements in each endorsement area for provisionally licensed teachers pursuing full licensure and (ii) license types and endorsement areas that qualify for reciprocity with selected other states.
    - Report on the program participation, size, and funding levels of the new registered teacher apprenticeship program.

APPENDIX G: JLARC VIRGINIA'S K-12 FUNDING FORMULA

Report Executive Summary

Key findings:

- Virginia divisions receive less funding than multiple benchmarks.
- State SOQ formula yields substantially less funding than actual division spending and benchmarks.
- Total statewide staffing needs calculated by SOQ formula are less than actual employment levels and workgroup estimates.
- SOQ formula systematically underestimates division compensation costs.
- Formula still uses Great Recession-era cost reduction measures.
- Formula does not adequately account for higher need students; methodology for at-risk students undercounts students in poverty.
- Formula does not adequality account for local labor costs.
- Formula does not adequately account for small divisions' inability to gain economies of scale.
- Despite being 50 years old, LCI formula remains a reasonable measure of local ability to pay.
- Most other states use simpler student-based K-12 funding formulas, in contrast to Virginia's complex staffing-based formula.
- SOQ funding formula maintenance and support has been problematic.

Recommendations:

- Legislative action
    - Long term – Develop accurate fixed and prevailing staffing ratios that are simpler, easier to apply, and comprehensive.
    - Near term – Eliminate the support cap and re-instate (a) non-personal categories removed in FY09 and FY10, and (b) federal fund deduction methodology used prior to FY09.
    - Long term – Routinely update the cost assumptions used for school division salaries during the re-benchmarking process.
    - Near term – Calculate salaries and other cost assumptions using the division average, rather than the linear weighted average.
    - Long term - Replace the cost of competing adjustment with a Virginia based labor cost index.
    - Long term - Adopt a new economies of scale adjustment applicable to divisions with fewer than 2,000 students.
    - Near term – Calculate the LCI using a three-year average.
    - Near term – Provide funding as needed to modernize K–12 reporting and the IT application used for the SOQ formula.
    - Near term – Provide funding as needed for additional VDOE staff to maintain SOQ formula and provide support to divisions.

- Executive action

- Fix technical problems with the SOQ formula related to excluding central office staff positions, facilities staff, and inflation and enrollment projections.
- Modernize K–12 reporting and IT application used for SOQ formula.
- Determine staffing needed to adequately maintain funding formula and provide support to divisions.

How Does Virginia Compensate Teachers

A Companion Report to SB1215 Competitive Pay Study

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LETTER TO THE GENERAL ASSEMBLY

Senator L. Louise Lucas
Senate District 18
P.O. Box 700
Portsmouth, Virginia 23705

Dear Senator Lucas,

Thank you for the opportunity to provide additional companion information to the SB 1215 legislation on competitive teacher pay. As the compensation workgroup reviewed a variety of topics that impact competitive teacher wages, it became apparent that not all stakeholders deeply understood the various factors that go into a local teacher's yearly salary.

The intent of this informative report is to clarify the state funding of teacher salaries, understand how the teacher salary figure is determined for state funding, the impact local salary variances have on state teacher allocations, the significant variances in teacher cost of living and pay across the Commonwealth, and additional confounding factors. This study illustrates how the variances in "average" calculations are compounded by local pay scale decisions. As a result, these variances make any statewide salary increase impossible to be translated to actual teacher pay raises. Additionally, local hiring markets and variances in cost of living throughout the state result in different community needs in teacher compensation. As a result, a comparison of teacher salaries based on state averages creates misunderstanding and the potential for incorrect conclusions.

Key Observations and Clarifications

1. The SOQ funding formula lacks transparency and produces different outcomes than anticipated by the percentage increases legislated in the budget.
2. The number of students in Virginia has declined over the last ten years while the number of funding for SOQ teachers and overall teachers has increased.
3. A lower percentage of funds are going to teachers and a higher percentage to overhead and administrators. From 2012 to 2025, non-teachers SOQ funding has increased over 90%, teacher SOQ funded salaries 47%, and teacher share of funding declined 17%.
4. Teacher salaries do not correlate with teacher retention, per pupil spending, or student performance.
5. Wealthier regions hire more teachers, pay higher salaries, and have more vacancies.
6. State SOQ funding is impacted by local determinations that are independent of the Local Composite Index.
7. School divisions do not compete nationally to hire teachers; instead, they compete regionally and with school divisions that are contiguous.

Next Steps

1. The department recommends that the regional nature of salary decisions needs to be held at localities.
2. A new teacher salary mechanism should be determined producing actual salaries consistent with state budgeted amounts not impacted by local teacher salary decisions.
3. School divisions should review staffing decisions to come into line with declining student populations.
4. School divisions should ensure that funding focuses on staffing in the classroom rather than non-instructional costs.
5. The existing resource-based funding system is convoluted and should be reformed to offer transparency and flexibility for divisions to meet individual student's needs. The state should convene a cross functional group to transform the overall funding system to one focused on servings student needs, improving student performance, and ultimately instructional quality.
6. Better data is needed for more transparent funding. The department needs real time access to teacher staffing and salary levels instead of a formula calculated on a two-year delay, and school divisions needs a stronger funding formula based on student numbers and individual student education needs.
7. The revised student-based funding model should accurately relate inputs to outcomes and be tied to those student outcomes so schools are incentivized to perform well.
8. A student-based model with real time access to spending per student should allow parents to see where money is being spent and how much is being spent per student.

We hope this report will launch continued collaboration on improving the statewide funding formula as well as teacher salary opportunities for the Commonwealth of Virginia.

Sincerely,

Lisa Coons, Ed.D.

Superintendent of Public Instruction

Key Observations Regarding Virginia Teacher Compensation

The SOQ Funding Formula Lacks Transparency

1. Funded SOQ teacher salaries were supposed to increase by 17% based on formal General Assembly approved budget increases since 2021.
    - Localized salary increases, above the SOQ required local effort, have skewed the linear weighted average to turn the 17% state raises into a 22.9% statewide SOQ salary funding increase between FY 2021 and FY 2025.
2. Actual salary increases for funded SOQ positions are determined by localities and the local determinations can vary widely from the state budgeted percent increase.
    - In FY 2022, 66 school divisions gave the state budgeted 5% salary increase to teachers while 48 divisions gave below 5%, and 18 divisions gave above 5%.
3. Local school divisions regularly choose to contribute above the required SOQ local funding effort.
    - In recent years this local funding has made up around 30% of total educational spending.
4. Teacher SOQ salary funding increased 47% from FY 2012 to FY 2025.

The Number of Funded SOQ Teachers and Overall Teachers Have Increased in Virginia

1. Localities are hiring (on average) 18% more teachers than required for SOQ positions.
    - The number of teachers hired beyond SOQ required positions varies greatly by district with some school divisions hiring up to 3,051 positions above SOQ funding and others not fully filling the number of required SOQ funded positions.
    - The SOQ formula in FY 2021 calculated that school divisions needed 113,500 FTE staff to perform the various functions of the K–12 system. However, local school divisions actually employed 171,400 staff to perform these responsibilities.[1]
2. From FY 2012 to FY 2022, K-12 student enrollment decreased by 6,834 and the actual number of teachers in Virginia increased by 3,489 and state SOQ funded teachers increased by 1,980.
3. The student to teacher ratio has gone from 14.3 to 13.9 for SOQ teachers and from 12.2 to 11.8 for actual teachers from FY 2012 to FY 2022.
4. School divisions have chosen to fund many more positions than those required by SOQ prescriptions.
    - As a result, overall teacher positions have increased over the last ten years by 3.5% statewide.
    - The percentage of divisions' teacher staffing exceeds minimum SOQ prescriptions has increased from 17% in FY 2012 to 19% in FY 2022 – this overage represented an estimated teacher salary cost to localities of over $1 billion in FY 2022.

[1] JLARC Report: Virginia's K-12 Funding Formula, 2023

A Lower Percentage of Funding is Going to Teachers and A Greater Percentage of SOQ Funding is for Overhead and Administrators

1. Teacher salaries represented 47.5% of education funding in FY 2012 and only represented 39.8% in 2023 – a 19.3% decline.
2. From FY 2012 to FY 2025, non-teacher funding going towards administration positions, non-teacher SOQ positions, transportation, and overhead costs have increased 94.3% from $4.2B to $8.2B.

Reported Average Teacher Salaries Vary Significantly Based on Methodology

1. National data sources report different state and national averages for teacher salaries.
    - Looking at VDOE, NCES, NEA, and SREB reported numbers for Virginia average annual teacher salaries in FY 2022, there was a 7% discrepancy between the highest and lowest numbers reported, with VDOE reporting $64,422 and NCES reporting $59,965.
    - VDOE averages can also vary depending on calculation methodology, resulting in confusion and difficulty analyzing key metrics.

Teacher Salaries Vary Dramatically by Locality

1. Because there is no state minimum teacher salary, teacher starting salaries vary across school divisions, which have discretion over their local pay scales.
2. Because starting salaries, step increases (5-, 10-, 20-, and 25-year steps), and degree attainment adjustments vary significantly by school division, average salaries can vary as much as 50 percent from school division to school division.
3. School divisions do not compete nationally for K-12 teachers, they compete regionally and with school divisions that are contiguous. These include school divisions across state lines.
4. Competitive must be defined regionally rather than a statewide average.
5. Wealthier districts hire more teachers than required SOQ levels and pay them more.

Teacher Salaries Don’t Correlate with Retention or Per Pupil Spending or Performance

1. Teacher retention and average experience levels are similar across school divisions despite varying salary levels.
2. Local spending creates large variations in per pupil spending.
3. Teacher salaries do not correlate to vacancy or retention.
4. Teacher salaries do not correlate to student performance.
5. More funding dollars have gone outside the classroom over the last ten years.

The SOQ Formula and Determination of Teacher Salary Allocations

The Virginia Department of Education determines the funding level from the Commonwealth to school divisions for salaries for funded elementary and secondary SOQ teaching positions. The localities determine the actual salaries paid to teachers, and they vary widely across Virginia's school divisions. Teacher salaries are impacted by multiple policies across state and local government. Some policies work well to provide competitive wages for teachers while other policy decisions cause confusion and create problematic calculations that do not ensure teachers receive state budgeted salary increases as intended.

For each local school division, the state determines the number of SOQ funded positions using the ratio of student enrollment to staffing standards set forth in the Standards of Quality (See *Va. Code § 22.1-253.13:2; Item 137 of Chapter 1 (2023 Acts of Assembly SS1*). The SOQ formula determines the state allocation of teachers for each local school division using a staffing ratio method based on student enrollment. These staffing ratios are determined by policy. The SOQ formula limits state funding to the positions determined by statute. These allocated teacher and educator positions are the only positions that are funded at the state level. All other positions reflect local choices, and these teacher salaries are funded at the local level.

Contrary to perception, the Department of Education does not set starting or average salaries for the entire state. However, SOQ teacher positions are funded by the state based on a "linear weighted average" of actual division average salaries (including non-SOQ positions) which is different than a standard mathematical average (see Figure 1). The linear weighted average is intended to limit the impact of unusually high or low division salaries across the Commonwealth. However, the inclusion of non-SOQ positions in the calculation means wealthier counties, who employ more non-SOQ teachers, get additional representation offsetting much of the linear weighted impact. For example, the Virginia Department of Education calculates the linear weighted average salary for FY 2022 as $56,123 and the straight school division average salary would be calculated as $56,673.

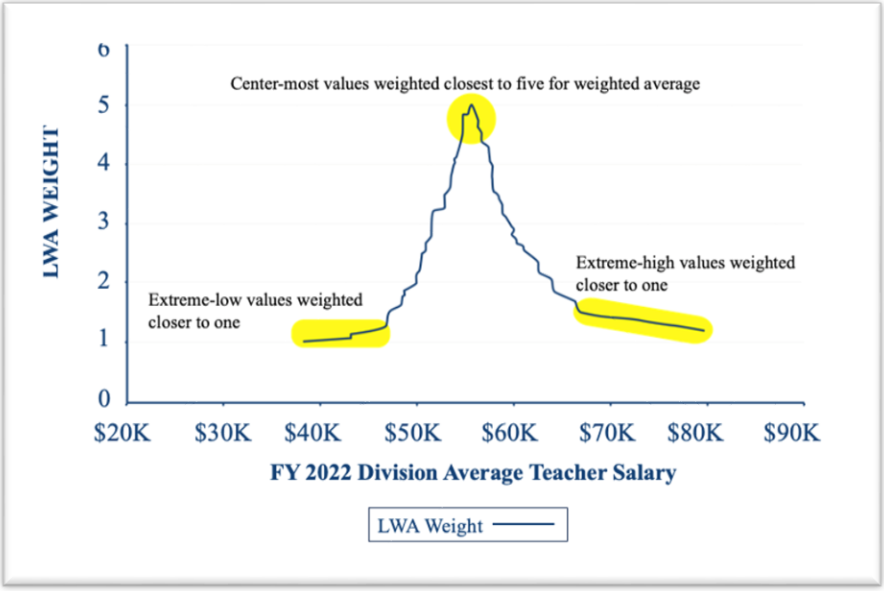
The linear weighted average is determined using all local school division salaries (SOQ and non-SOQ), and each year the "prevailing wage" for funding SOQ positions is calculated for the base year of each biennial budget cycle. During the biennial budget process, this prevailing salary is adjusted for state and local salary increases after the base year, and the state uses the new salary amount and the student enrollment to calculate the funding for SOQ positions for each local school division across the Commonwealth.

The elementary and secondary salaries determined in the SOQ formula calculation are determined by the weighted average of division average salaries from the prior year. The division average salaries are calculated as a straight average of all the individual school division average salary amounts. Then the linear weighted average of division average salaries assigns weights between 1 and 5 to each division average (see Figure 1). This allows divisions closest to the median to have the greatest impact on the final average used for the SOQ formula.

In contrast, VDOE's overall statewide salary average for annual reporting is based on ALL statewide salary expenses divided by ALL teachers, school counselors, and technology

instructors across the state, which is $64,557 for FY 2022. The teacher data for this calculation is from school divisions' annual school reports. The local school divisions are not required to report individual salary data to the state. Divisions report salary expenditures for teachers as a whole and other staff categories on their annual financial report to VDOE. The state is not the repository or official record for teacher data.

Figure 1. Distribution of Weights Applied to Division Average Salaries[2]



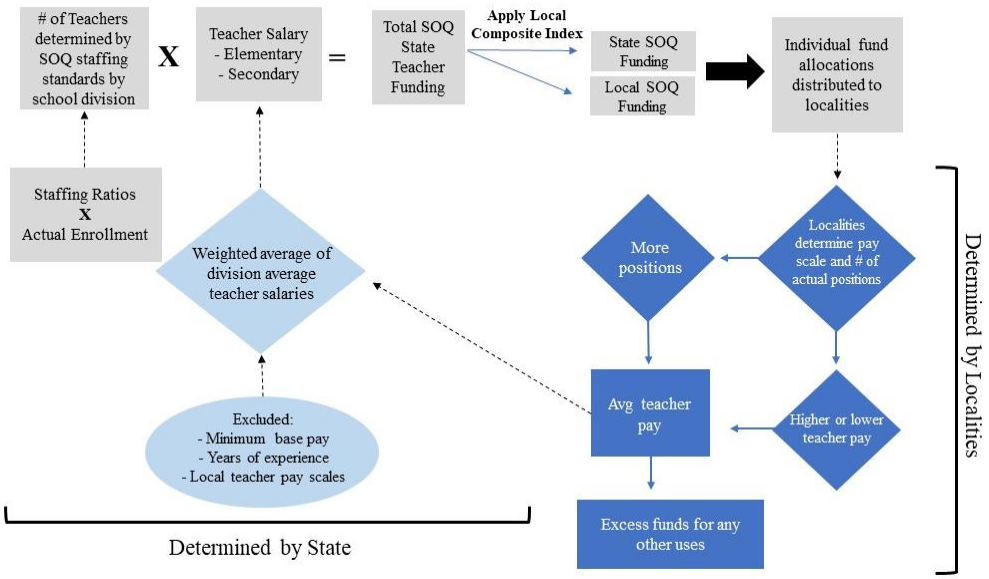
Local school divisions determine what additional positions to fund, beyond the state SOQ determined positions. These positions may include teachers, specialists, counselors, and other educators needed to assist students struggling with learning loss. Based on their sole determination, the local school division determines the additional costs for their pay scale calculations and their additional funded positions. Fairfax County had 12,950 SOQ funded positions and hired an additional 3,051 locally funded teacher positions in 2022 (See Figure 8). On the other hand, several districts reported teacher levels below the SOQ determined levels.

The result of this arcane calculation of state "prevailing wage" is that the budgeted amounts of teacher salary increases don't translate into actual teacher salary increases. As an example, this Administration and the General Assembly invested $232.5 million for a 5% teacher compensation supplement in FY 2023 effective August 1, 2022; $527.1 million for a 5% Compensation Supplement effective July 1, 2023; and $54.6 million for a 2% Compensation Supplement effective January 1, 2024. These significant investments of $814.2 million in teacher pay went through the formula calculations in Figure 2. These budgeted salary increases were added to the linear weighted average and the "prevailing salary" funding SOQ purposes, and the statewide percentage raise may not have impacted the statewide average salary amount because the actual salary increase is determined at each local school division. Local policy decisions and

[2] VDOE created from SOQ Funding Model

ensuing state calculations created wide variances on whether teachers received an actual 12 percent raise from 2022 to 2024. In reality, some received more and others less (see Figure 4).

Figure 2. Current SOQ Funding Formula



The Byzantine SOQ Funding Formula Lacks Transparency and Generates Different Results Than Anticipated

How Budgeted Raises Translate to the SOQ Formula

Figure 3 below shows the total SOQ teacher salary funding, which does not include "non-personal" costs such as transportation, fuel, utilities, and materials/supplies. The chart shows two-year cycles of funded salary amounts because of biennial budget allocations. Note that salary projections only change every two years for updated salaries. For example, FY 2019 and FY 2020 have the same funded salary amount. Between FY 2021-2025, the state budget should have produced 17% teacher salary increases (5% in FY 2022, 5% in FY 2023, 5% plus an additional 2% in FY 2024); however, actual SOQ salary funding increased 22.9%. In fact, the FY 2024 to FY 2025 results show that the actual calculated teacher salary increase was 18% in a single year. This occurred because a combination of factors including: capturing the state-budgeted 12% teacher salary increases from FY 2023 and FY 2024, biennial education-cost rebenchmarking, and the locally determined salary increases that impact the state prevailing salary.

Figure 3. SOQ Salary Funding FY2015 to FY2025[3]

	Number of SOQ Teachers		SOQ Salary		
	# SOQ Elementary Positions	# of SOQ Secondary Positions	SOQ Elementary Teacher Salary ($)	SOQ Secondary Teacher Salary ($)	Total SOQ Salary Funding ($M)
FY 2012	46,361	39,074	$43,904	$46,090	$3,836
FY 2013	46,990	37,661	$45,118	$47,267	$3,900
FY 2014	47,323	37,905	$45,118	$47,267	$3,927
FY 2015	48,122	37,355	$45,822	$48,125	$4,003
FY 2016	48,420	37,541	$45,822	$48,125	$4,025
FY 2017	48,735	37,941	$47,185	$49,744	$4,187
FY 2018	49,083	38,157	$47,185	$49,744	$4,214
FY 2019	48,337	38,732	$48,298	$51,167	$4,316
FY 2020	48,525	38,859	$48,298	$51,167	$4,332
FY 2021	48,234	38,958	$51,371	$53,777	$4,573
FY 2022	48,364	39,050	$51,371	$53,777	$4,585
FY 2023	46,537	39,204	$53,996	$56,977	$4,747
FY 2024	46,701	39,333	$53,996	$56,977	$4,763
FY 2025	48,102	40,554	$61,514	$65,655	$5,622
% Change 2015-2025	0.0%	8.6%	34.2%	36.4%	40.4%
% Change 2021-2025	-0.3%	4.1%	19.7%	22.1%	22.9%

(Number of SOQ Elementary Positions * SOQ Elementary Salary) + (Number of SOQ Secondary Positions * SOQ Secondary Salary) = Total SOQ Salary Funding

Actual Local Percentage Increases Can Differ from Budgeted Increases

Local school boards can choose to add incentives for educators. These may include salary differentials for degree attainment, salary increases for National Board Certification, etc. Local school boards can also choose to add additional pay raises for all employees. In some cases, the state will allocate a specific percentage of a raise for SOQ funded positions and the local school division has the authority to meet this percentage or to give a partial amount, or to give above the percentage. In FY 2022, the state budgeted a teacher salary increase of 5%. That year, 66 divisions (50%) provided the budgeted 5% raise, 48 divisions gave below 5%, and 18 divisions gave above 5%. Figure 4 shows the disparity among local school divisions including one local determination of an increase of 15.9% in teacher pay.

[3] Appropriation Act, SOQ Model, number of SOQ positions includes Teachers, Reading Specialists, IT Resource Teachers, Elementary Resource Teachers

Figure 4. Actual Salary Percentage Increases Distributed by Divisions FY 2022-FY2024[4]

Division Name	FY 2022		FY 2023		FY 2024	
	State Budgeted % Increase	Actual % Increase	State Budgeted % Increase	Actual % Increase	State Budgeted % Increase	Actual % Increase
Arlington	5.00%	3.60%	5.00%	8.65%	7.00%	7.26%
Bristol	5.00%	3.90%	5.00%	10.00%	7.00%	5.00%
Chesapeake City	5.00%	4.87%	5.00%	11.10%	7.00%	7.00%
Norton	5.00%	14.81%	5.00%	8.00%	7.00%	5.00%
Richmond County	5.00%	4.00%	5.00%	8.00%	7.00%	7.00%
Roanoke City	5.00%	2.50%	5.00%	15.90%	7.00%	5.00%

School Divisions Can Contribute Large Amounts Over the SOQ Required Local Effort

The state funds only SOQ positions and the Local Composite Index (LCI) calculation determines the distribution of state contributions for SOQ positions to localities. Often, school divisions choose to spend significantly higher local dollar amounts over the SOQ required local contributions. This local spending choice is determined by local decision making and is not determined or included in state calculations.

Figure 5 shows that the local spending above the SOQ made up around 30% of the total spending for teachers, and localities have continued to increase that spending for positions and salaries over time. From FY 2019 to FY 2022, the local spending above the SOQ local effort went from $4.3B to $5.0B, representing a 16.6% increase.

[4] Appropriation Acts, VDOE Required Local Effort/Required Local Match Data Collection

Figure 5. Localities Are Spending More Than the SOQ Formula Requires[5]

	SOQ Required State Funding ($B)	SOQ Required Local Effort ($B)	Local Spending Above SOQ Local Effort ($B)	Total Spending ($B)	Local Spend Above SOQ Effort as % of Total Spending	All Local as % of Total Spending
FY 2019	$6.156	$3.834	$4.293	$14.282	30.1%	56.9%
FY 2020	$6.244	$3.832	$4.408	$14.484	30.4%	56.9%
FY 2021	$6.498	$3.948	$4.152	$14.598	28.4%	55.5%
FY 2022	$6.749	$3.936	$5.007	$15.692	31.9%	57.0%

Figure 6 shows the top ten divisions spending above the SOQ local effort on a per student basis in FY 2022. While this is not typically reported on a per student basis, ranking divisions by total spending lacks context due to larger divisions funding more students. *As an example, Falls Church, a mid-size school division, spent $31.6M above the Local SOQ Required Effort in FY 2022, which equated to an additional $12,938 on a per student basis or $19,591 in total student spending in a local level.*

[5] Required Local Effort/Required Local Match Report

Figure 6. Top 10 Divisions for Local Per Student Spending Above SOQ Local Effort in FY 2022[6]

Division	SOQ Required Local Effort ($M)	Local Spending Above SOQ Local Effort ($M)	K-12 Enrollment	Local Per Student SOQ Required Effort ($)	Local Per Student Spending Above SOQ Local Effort ($)	Total Per Student Local Effort ($)
Falls Church	$16.2	$31.6	2,439	$6,653	$12,938	$19,591
Surry	$4.6	$7.3	634	$7,268	$11,470	$18,738
Arlington	$160.9	$297.0	26,141	$6,154	$11,360	$17,514
Charlottesville	$18.7	$38.5	4,073	$4,602	$9,454	$14,056
Alexandria	$92.3	$140.2	15,237	$6,058	$9,202	$15,260
Loudoun	$324.7	$704.6	80,659	$4,026	$8,735	$12,761
Bath	$3.5	$4.0	482	$7,242	$8,278	$15,520
Albemarle	$59.6	$111.3	13,463	$4,425	$8,268	$12,692
Fairfax	$890.3	$1,166.2	174,716	$5,096	$6,675	$11,771
Rappahannock	$4.4	$4.7	718	$6,096	$6,564	$12,660

Localities Hiring Above SOQ Funded Positions

From FY 2012 to FY 2022, the number of teachers in Virginia has increased by 3,489 (3.5%) while student enrollment has declined by 6,834 (-0.6%). Factors that contribute to the rise in the number of teachers include additional SOQ Prescriptions and localities choosing to hire more teachers than SOQ required positions. The number of teachers hired beyond SOQ required positions varies greatly by school division, and these local determinations of positions desired can also impact vacancy rates.

Localities are consistently hiring more teachers than the number of SOQ funded positions. This practice varies widely by school division. However, the increases in teachers, funded SOQ and locally determined positions, have resulted in a declining student to teacher ratio over the last ten years from 12.2 to 11.8.

Each locality assesses their school division staffing needs based on their unique school community. They determine what supports are needed for their student population above what is required, identified, and funded in the SOQ. These local staffing decisions are determined by local school boards and are outside the control of the state. Figure 7 highlights this difference between what local school divisions decided to hire based on their identified needs and what the SOQ actually funded.

[6] Required Local Effort/Required Local Match Report, K-12 Enrollment: VDOE Fall Membership for K-12 (number of students enrolled in public school on September 30)

Figure 7. Annual Difference in Number of SOQ Funded Positions and Actual Teachers

	Actual # Teachers[7]	# SOQ Funded Positions[8]	Diff. Actual and SOQ Funded Positions	Actual K-12 Enrollment (M)[9]	Actual Student to Teacher Ratio
FY 2012	100,152	85,435	14,717	1.23	12.2
FY 2013	100,505	84,651	15,854	1.23	12.3
FY 2014	100,605	85,228	15,377	1.24	12.3
FY 2015	100,813	85,477	15,336	1.25	12.4
FY 2016	102,288	85,961	16,327	1.25	12.2
FY 2017	103,036	86,676	16,360	1.25	12.2
FY 2018	102,995	87,240	15,755	1.26	12.2
FY 2019	102,992	87,069	15,923	1.26	12.2
FY 2020	103,492	87,384	16,108	1.26	12.2
FY 2021	104,631	87,192	17,439	1.22	11.7
FY 2022	103,641	87,415	16,227	1.22	11.8
Change FY 2012- FY 2022	3,489	1,980	1,509	(0.007)	(0.5)
% Change FY 2012-FY 2022	3.5%	2.3%	10.3%	-0.6%	-3.9%

As shown in the top section of Figure 8, some divisions significantly exceed their funded number of SOQ teaching positions in the actual number of teaching positions they employ. The top five school divisions represent approximately 7,000 positions above SOQ levels or 44% of the total additional local teacher positions. However, Figure 8 also demonstrates that some small divisions do not meet SOQ levels. This may be due to shortages of available teachers in certain localities or vacancies occurred during the year. Divisions may also incorrectly report teaching positions on the Annual School Report or positions had other assignments besides teaching so that a portion of the position is reported under non-teaching categories. *In addition, SOQ funded positions are calculated each biennium based on initial enrollment projections for each division which may be higher than the actual enrollment on which actual teacher staffing is based.* SOQ funded positions are determined by projected enrollment, but distributions are made based on actual enrollment, using their final March 31 Average Daily Membership enrollment.

[7] Table 19 of the Superintendent's Annual Report for Virginia, Primary and Secondary Teachers
[8] SOQ Model
[9] VDOE Fall Membership for K-12 (number of students enrolled in public school on September 30)

Figure 8. Divisions Exceeding or Not Filling SOQ Funded Positions in FY 2022

Division Name	Actual # Teachers[10]	# SOQ Funded Positions[11]	Difference	% of Positions Above (Below) SOQ Funded Amount
Top Divisions Staffing Above SOQ Funded Positions				
Fairfax	16,001	12,950	3,051	23.6%
Loudoun	7,114	5,664	1,449	25.6%
Virginia Beach	5,290	4,254	1,036	24.3%
Chesterfield	4,922	4,074	849	20.8%
Prince William	6,524	5,879	645	11.0%
Top Divisions Staffing Below SOQ Funded Positions				
Dinwiddie	313	326	(13)	-3.9%
York	843	855	(12)	-1.5%
Southampton	192	203	(11)	-5.6%
Richmond County	85	94	(9)	-9.7%
Henry	505	513	(8)	-1.5%

DOE SOQ Prescriptions Impact State and Local Funding

In 2019, the Virginia State Board of Education (VSBOE) made three SOQ prescriptions that were adopted into policy by the General Assembly, including increasing the school counselor to student ratio. In addition, the VSBOE made a prescription around English learner and specialized support staff that increased staffing ratios. In 2021, additional prescriptions were made to create reading specialist positions as well as increasing elementary school principal requirements.

In the next series of Figures 7 and 8, the column representing *Actual Teachers* reflects the instructional positions that includes classroom teachers, reading specialists, instructional technology resource teachers, and English Learner Teachers. It does not include school counselors and library media specialists. Changes to these positions are reflected in actions taken by the Board of Education Prescriptions or changes to the SOQ.

- In 2020, Chapters 1034/1035: added staffing ratios for instructional positions for students with limited English proficiency at a ratio of 18.5 positions for each 1,000 students in 2020-2021 school year and 20 for each 1000 students for the 2021-2022 school year and thereafter.
- In 2022, Chapter 549/550 added staffing ratio requirements for reading specialists of 1 for each 550 students in kindergarten through grade three.
- In 2022, Chapter 550 added one reading specialist for 550 students in kindergarten through grade five and one reading specialist for each 1,100 students in grades six through eight.

[10] Table 19 of the Superintendent's Annual Report for Virginia, Primary and Secondary Teachers
[11] SOQ Model, Primary and Secondary Teachers

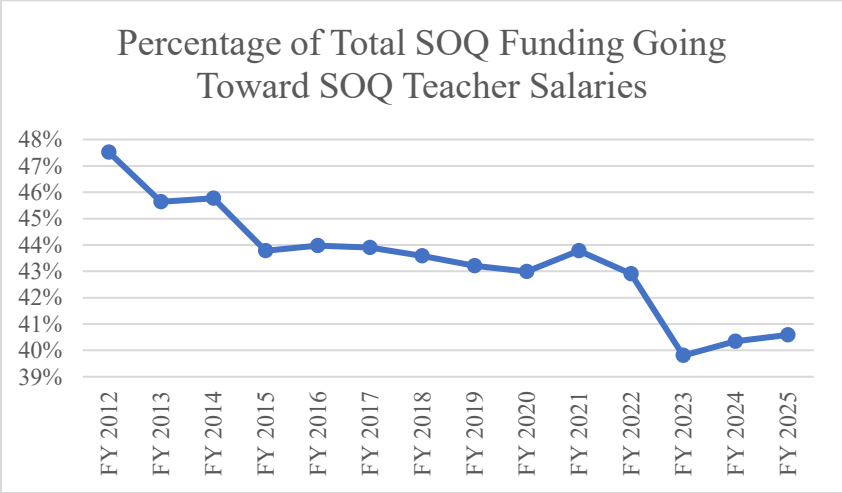
- In 2023, Chapter 645 added reading specialist for 550 students in kindergarten through grade eight.

Additional SOQ changes were made to school counselors and elementary principals, but those SOQ changes do not impact the SOQ teacher calculations.

A Lower Percentage of Funding is Going to Teachers in the SOQ Formula

Non-teacher costs include state and local share of the SOQ teacher fringe benefits, utilities, transportation, positions such as library media specialists and school counselors. Total SOQ funding is made up of SOQ salary funding for SOQ positions and these non-teacher costs. Looking at FY 2012 to FY 2025 the percentage of funds going to SOQ salaries decreased from 47.5% to 40.6%, a drop of almost 20%. In FY 2023, $4.7M went towards SOQ salary funding (40%) and $7.1M (60%) went toward non-teacher costs. From FY 2012 to FY 2025 the "Non-teacher" funding nearly doubled, going from $4.2M to $8.2M. This represents a 94% increase while SOQ salary funds only grew by 47% during this period. *This trend of fewer incremental funding dollars going toward classroom instruction and more incremental funding going toward non-classroom-based expenditures including administrative costs, overhead costs, and non-classroom-based positions continued while the underlying student enrollment population has declined. This ratio needs to reverse.*

Figure 9. Percentage of Total SOQ Funding Going Toward SOQ Salaries[12]



[12] SOQ Model

Figure 10. SOQ Funding Going Towards SOQ Salaries and Non-Teacher Costs[13]

	Total SOQ Salary Funding ($M)	"Non-Teacher" Costs ($M)	Total SOQ Funding - State & Local ($M)	"Non-Teacher" Costs as % of Total SOQ Funding	SOQ Salary Funding as % of Total SOQ Funding
FY 2012	$3,836	$4,236	$8,073	52.5%	47.5%
FY 2013	$3,900	$4,647	$8,547	54.4%	45.6%
FY 2014	$3,927	$4,653	$8,580	54.2%	45.8%
FY 2015	$4,003	$5,141	$9,144	56.2%	43.8%
FY 2016	$4,025	$5,129	$9,154	56.0%	44.0%
FY 2017	$4,187	$5,349	$9,536	56.1%	43.9%
FY 2018	$4,214	$5,453	$9,667	56.4%	43.6%
FY 2019	$4,316	$5,673	$9,989	56.8%	43.2%
FY 2020	$4,332	$5,744	$10,076	57.0%	43.0%
FY 2021	$4,573	$5,873	$10,446	56.2%	43.8%
FY 2022	$4,585	$6,101	$10,685	57.1%	42.9%
FY 2023	$4,747	$7,178	$11,924	60.2%	39.8%
FY 2024	$4,763	$7,041	$11,804	59.7%	40.3%
FY 2025	$5,622	$8,229	$13,850	59.4%	40.6%
% Change 2012-2015	46.5%	94.2%	71.6%	13.2%	-14.6%
CAGR	3.0%	5.2%	4.2%	1.0%	-1.2%

[13] SOQ Model

Reports on Teacher Salaries Vary Significantly Based on Methodology

When comparing state average teacher salaries, national reports use different salary calculations that have significant variances. These different results for average state teacher salaries are seen in Figure 11 below. In addition, these national studies do not adjust for cost of living or state taxes – the after-tax take home pay for teachers is critical for such a comparison. As an additional note, the salaries in high-cost, high-tax states such as New York, New Jersey, Illinois, and California are less relevant to Virginia than those in Tennessee, Kentucky, North Carolina, West Virginia, Maryland, and the District of Columbia where Virginia competes for talent on a regional basis. *Virginia is not competing nationally for teachers but rather locally and regionally with nearby school divisions.*

In these national surveys, average salaries differ by the methodology of the study. Apples and oranges are created depending on the calculation of "average" and the year the data was collected. For example, JLARC and statistics from other studies that include Virginia teacher salaries did not capture significant increases from 2022-2024. In addition, the process to set teacher salaries also differ state-by-state. In 13 states, teacher salary rates are set by the state legislature and in nine other states, the state sets the minimum salary a teacher must earn. All other states allow school districts to set salary schedules. Virginia is unique with its SOQ prescriptions, the linear weighted average determination, and local determinations. States with a more standardized and transparent salary scale can see more direct impact when the state makes pay changes.

Variance in National Salary Surveys Reporting National and State Averages

National Council of Teacher Quality: State Teacher Salary Policies
The September 2022 Teacher Compensation Strategies from the National Council on Teacher Quality indicates the majority of states (29), including Virginia, allow school districts to set the teacher salary schedule. Nine states set the minimum salary but allow school districts to determine the schedule. Thirteen states, including North Carolina, Tennessee, Ohio, and Texas, set the salary schedule for teachers. The report also includes analysis on how states approach differentiated pay for hard-to-staff areas, performance pay policies for high-performing teachers, and pay for prior professional experience to compensate teachers for prior work experience.

National Center for Education Statistics: National Data
National data indicates that the national teacher salary average in 2021-2022 was $66,397 (2020-2021 - $65,293; 2019-2020 - $64,172). This calculation determines average monetary remuneration earned by FTE employees across all industries in a given year, including wages, salaries, commissions, tips, bonuses, voluntary employee contributions to certain deferred compensation plans, and receipts in kind that represent income. Calendar-year data from the U.S. Department of Commerce, Bureau of Economic Analysis, have been converted to a school-year basis by averaging the two appropriate calendar years in each case.

Southern Regional Education Board: Regional Comparisons
This regional research hub provides the most up-to date teacher compensation data from 16 states across the Southeastern region and compares this information to the national average. The average in the Southern Region for a minimum starting salary is $35,521 and an average starting salary (bachelor's degree) of $41,146. In terms of average teacher salary, SREB calculates a national average of $66,745 and the overall regional average salary is $56,765. Their report indicates that Virginia had a minimum starting salary of $31,928, an average starting salary (bachelor's degree) of $43,845, and a $59,965 average salary for all teachers in 2022. Florida, Texas, and Maryland had the highest average starting salary while Georgia, Maryland, and Delaware had the highest average salaries.

Hunt Institute
The Hunt Institute provided the Virginia Department of Education with an analysis on state teacher compensation policies and reforms. The Hunt Institute found that, adjusted for a constant based on 2021-2022 dollars, that Virginia teachers have experienced a 7.9 percent decrease in their average salary over the last twenty plus years. In 1999-2000, based on a 2021-2022 constant, their salary would have been $65,544 while in 2021-2022 the average is $59,965. Additionally, Virginia's neighboring states have offered incentives, such as the program in North Carolina.

National Education Association
The National Education Association (NEA) uses estimates to predict national averages. Its data suggests that the national average teacher salary for the 2022-23 school year is $68,469. See NEAs full data report here. NEA also predicts a starting salary national average at $42,844. The 2022-23 numbers are all estimates and are typically revised slightly the following year. Massachusetts, New York, and California top the list with the highest salaries this school year, while Mississippi, South Dakota, and Florida are at the bottom.

Figure 11 shows the varying numbers reported for the Virginia average annual salary from several studies mentioned above. In FY 2022, there was a 7% discrepancy between the highest and lowest numbers reported, with VDOE reporting $64,422 and NCES reporting $59,965.

Figure 11. Reported Virginia Annual Average Teacher Salary FY 2018-2022

Source	VDOE Teacher Salary Survey [14]	National Center for Education Statistics (NCES)[15]	National Education Association (NEA)[16]	Southern Regional Education Board (SREB)[17]
FY18	$57,252	$51,994	$53,091	$53,091
FY19	$59,297	$52,466	$54,986	$53,267
FY20	$61,460	$57,665	$57,665	$57,665
FY21	$61,684	$58,506	$58,506	$58,506
FY22	$64,427	$59,965	$61,367	$61,367

Teacher Salaries Vary Dramatically by Locality

When looking at state allocations for teacher compensation described above, one must also look at how local school divisions contribute to the funding of teachers. Localities have the autonomy to determine starting or base pay. Localities also determine the progression of pay ("pay scales") for both years of service and degree attainment.

Pay Scales and Starting Salary Vary by School Division

Figure 12 below shows the significant variance in base pay across a sample of five local school divisions, as well as the significant differences between pay scales. This summary highlights the difference in first year pay (15%) that increases to over 70% at Step 25. All pay scales included are based on ten-month contracts, and teachers advance to higher step levels based on years of experience. This data focuses on ten-month contracts that are an apples-to-apples comparison of salaries, steps, and degree attainment variances. A ten-month teacher contract maybe reflected as a 195-day contract or somewhere close to this range depending on the local school board decision but are considered a ten-month teacher contract.

"Steps" are locally determined by school divisions and vary across the Commonwealth. Some local school divisions also include different degree attainment scales. For school divisions with pay scales for varying degree levels, the bachelor's degree level is shown in Figure 12 for steps of 10, 15, and 25. The maximum salary shown is the maximum among all degree levels. The pay

[14] Education Workforce Data & Reports | Virginia Department of Education

[15] Estimated average annual salary of teachers in public elementary and secondary schools, by state: Selected years, 1969-70 through 2018-19 and Estimated average annual salary of teachers in public elementary and secondary schools, by state: Selected school years, 1969-70 through 2021-22

[16] Teacher Salary Benchmarks | NEA

[17] SREB

scale matrices are designed with local autonomy to meet the needs of the local school division and maintain regional geographic flexibility. In many other states, however, teacher pay scales have a minimum base pay level (Virginia does not), and most other states utilize pay scales that assume that teacher quality improves with experience level and attainment of advanced degrees (similar to Virginia). Fewer states have merit pay or bonuses for teachers, but it is an emerging trend of discussion around the country.

Figure 12. Summary Comparison of School Division Pay Scales 2023-2024

School Division	Starting Salary	Step 10	Step 15	Step 25	Max Salary
Fairfax County Public Schools[18]	$54,913	$73,748	$81,424	$95,929	$116,816
Richmond Public Schools[19]	$54,253	$60,945	$64,596	$72,565	$131,220
Chesapeake Public Schools[20]	$53,303	$60,946	$65,656	$76,197	$95,264
Brunswick County Public Schools[21]	$47,694	$48,509	$50,184	$56,079	$70,580
Bristol Virginia Public Schools[22]	$47,647	$50,491	$54,186	$70,020	$72,620
Difference between highest and lowest divisions	$7,266	$25,239	$31,240	$39,850	$60,640
% Difference between highest and lowest divisions	15.2%	52.0%	62.3%	71.1%	85.9%

Regional Dynamics and Salary Competitiveness

Localities in Virginia regularly compete for teachers with their neighboring school divisions. These school divisions could be in proximity within the state or outside of the state. If a neighboring school division decides to increase salaries, it creates an instant advantage in attracting and retaining teachers. It also means that all adjacent school divisions must be competitive to retain employees or attract for vacancies. To provide these raises, local school divisions will need to provide the necessary additional funds. For some localities, this is extremely challenging as these additional raises are covered with local funds, and some districts have a much greater ability to pay than others.

In addition to competing with surrounding Virginia localities, school divisions compete with surrounding states as well. School divisions in Northern Virginia and the Northern Neck/Eastern Shore compete with Maryland and Pennsylvania. School divisions in Southwest Virginia that border or nearly border Tennessee, as well as the southern portions of the state that border North

[18] Fairfax County Public Schools FY 2024 Teacher Salary Scale
[19] Richmond Public Schools 2023-2024 Salary Schedule
[20] Chesapeake Public Schools 2023-2024 Salary Schedule
[21] Brunswick County Public Schools 2023-2024 Salary Scale
[22] Bristol Public Schools 2023-2024 Salary Schedule

Carolina, compete with those two states. Higher starting and average teacher salaries in Maryland and Pennsylvania drive higher salaries in Northern Virginia and the Northern Neck/Eastern Shore. Southwest Virginia has recently had to compete with aggressive statewide salary increases in Tennessee, and certain northern and western Virginia school districts are impacted by changes in compensation in Kentucky and West Virginia.

Salary competition affecting Northern Virginia has long been recognized with a Cost of Competing Adjustment (or COCA). This is why nine Northern Virginia school divisions (Arlington County, Fairfax County, Loudoun County, Prince William County, Alexandria City, Fairfax City, Falls Church City, Manassas City, and Manassas Park City) receive a 9.83% COCA teacher salary add-on to their SOQ funded positions. Nine additional school divisions (Stafford, Fauquier, Spotsylvania, Clarke, Warren, Frederick, Culpeper and the Cities of Fredericksburg, and Winchester) receive a partial add on of 2.46% for SOQ teacher positions to compete with contiguous states to the North. Both rates are applied to the standard SOQ funded teacher salary amounts. Salary pressures are also recognized on the Eastern Shore, where Accomack and Northampton counties receive $1.75 million between them for funding support to better align their salary scales to those of adjacent school districts in Maryland.

These SOQ add-ons have not been given in Southeastern and Southside Virginia, as Virginia salaries generally remain higher than North Carolina districts. Where this appears to be a growing problem is in Southwest Virginia, where some school divisions are competing with Tennessee, a state that has taken aggressive steps to increase teacher pay.

One of the challenges that the SB 1215 workgroup found is that variances in pay across the state are often due to significant differences in the cost of living, as well as regional demands that include surrounding states, such as North Carolina, Tennessee, and Maryland. Virginia does not compete for teachers with all states, so comparing Virginia to national averages is not an accurate evaluation of the competitiveness of Virginia's teacher salaries. However, the definition of "competitive salary" does need to include the different competitive pressures existing in different parts of the state.

To illustrate the variance in teacher salaries across Virgina, Figure 13 provides the highest and lowest 10 school divisions based on annual average salary, also providing insight on starting salaries based on degree attainment. The division with the highest average salary, Arlington, has an average salary over two times that of the lowest average division of Russell (Arlington average is $88,336 and Russell's average is $43,101). There is a 65% disparity between the averages of the top ten and lowest ten divisions. The top ten average salary school divisions employ approximately 34% of the teachers in Virginia while the lowest ten divisions employ 2%. At the same time, their student to teacher ratio is 10% better, 10.8 for the bottom ten divisions versus 11.9 for the top ten.

The highest average annual salary divisions are concentrated in Northern Virginia and tend to compete with DC and Maryland. While the lower salary divisions are concentrated in Southern and Western Virginia and compete with counties along the border of North Carolina, Kentucky,

and West Virginia. NEA averages for nearby states are shown below for general comparison, but divisions are competing for talent with neighboring divisions rather than the neighboring states. Additionally, averages calculated by NEA will not be directly comparable to the division averages used in the Superintendent reports due to differing methodologies for calculating those averages.

Figure 13. Divisions with the Highest and Lowest FY 2022 Average 10-Month Salaries[23]

Top 10 Divisions for Average Annual Teacher Salary in FY 2022

Division	Avg Annual Teacher Salary (Primary & Secondary)	Bachelor's Starting Salary	Master's Starting Salary	K-12 Enrollment	Actual # of Teachers	% of Total Teachers	Actual Student to Teacher Ratio
Arlington	$88,336	$49,193	$54,236	26,141	2,365	2.3%	11.1
Falls Church	$85,570	$52,373	$58,096	2,439	227	0.2%	10.7
Alexandria	$82,724	$62,239	$71,047	15,237	1,355	1.3%	11.2
Loudoun	$79,672	$55,611	$61,583	80,659	7,114	6.9%	11.3
Fairfax	$77,537	$51,000	$56,100	174,716	16,001	15.4%	10.9
Manassas	$74,788	$49,652	$55,508	7,104	580	0.6%	12.3
Prince William	$72,883	$51,431	$57,298	88,494	6,524	6.3%	13.6
Williamsburg	$68,955	$47,080	$48,664	11,018	832	0.8%	13.2
Louisa	$67,035	$47,280	$49,590	5,020	435	0.4%	11.5
Manassas Park	$66,592	$50,820	$56,820	3,377	261	0.3%	12.9
Average	$76,409	$51,668	$56,894	41,421	3,569	3.4%	11.9

Lowest 10 Divisions for Average Annual Teacher Salary in FY 2022

Division	Avg Annual Teacher Salary (Primary & Secondary)	Bachelor's Starting Salary	Master's Starting Salary	K-12 Enrollment	Actual # of Teachers	% of Total Teachers	Actual Student to Teacher Ratio
Russell	$43,101	$34,000	$36,000	3,271	350	0.3%	9.4
Dickenson	$43,192	$37,142	$39,242	1,883	185	0.2%	10.2
Craig	$45,287	$35,637	$37,137	502	54	0.1%	9.3
Mecklenburg	$46,539	$41,200	$43,600	4,225	409	0.4%	10.3
Giles	$46,882	$37,726	$39,726	3,462	202	0.2%	17.1
Brunswick	$47,013	$43,260	$45,260	1,380	148	0.1%	9.3
Northampton	$47,064	$43,125	$45,583	1,287	141	0.1%	9.1
Buchanan	$47,128	$33,750	$36,370	2,308	212	0.2%	10.9
Grayson	$47,615	$36,012	$38,016	1,489	166	0.2%	9.0
Tazewell	$48,119	$39,329	$41,118	5,420	422	0.4%	12.9
Average	$46,194	$38,118	$40,205	2,523	229	0.2%	10.8

[23] Average Annual Salaries: Table 19 of the Superintendent's Annual Report for Virginia, Primary and Secondary Teachers, Bachelor's and Master's Starting Salaries: data reported by school divisions to VDOE, starting salary calculation includes licensed elementary and secondary classroom teachers (regardless of fund source), classroom teachers include: regular K-12 education teachers, art, music, physical education, technology, remedial, gifted, mathematics, reading, special education, and ESL teachers, not included in the calculation are: teacher aides, school counselors or library media specialists, K-12 Enrollment: VDOE Fall Membership for K-12, number of students enrolled in public school on September 30

Figure 14. Map of Divisions with Highest and Lowest Average Annual Salary FY 2022

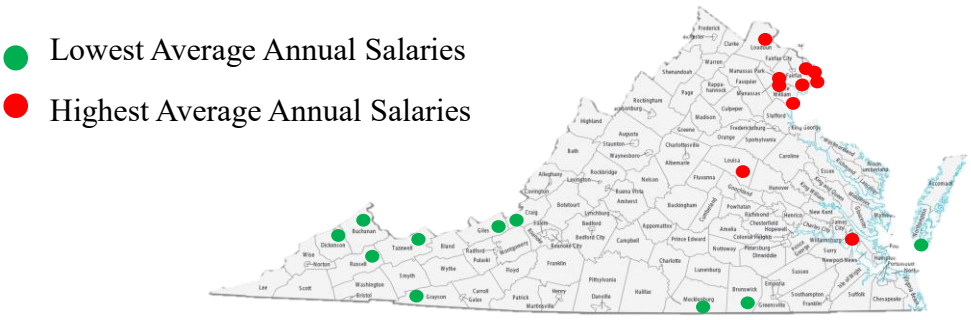
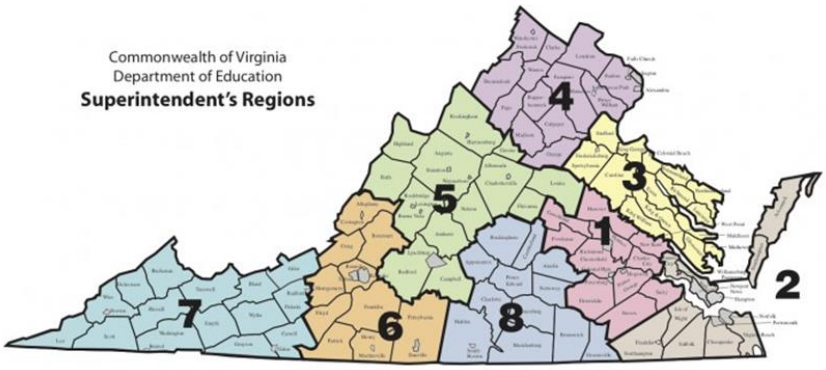


Figure 15. Average Teacher Salaries in Neighboring States FY 2022

	State	Avg Salary
Highest Salary Competitors	District of Columbia	$82,523
	Maryland	$75,766
	Pennsylvania	$73,072
Lowest Salary Competitors	Kentucky	$54,574
	North Carolina	$54,863
	West Virginia	$50,315
	Tennessee	$53,285

Figure 16. Map of Eight Virginia Superintendent's Regions



Looking at average teacher salaries across the eight superintendent's regions shows that there are large salary disparities within the superintendent's regions themselves. The highest average annual salary among divisions in FY 2022 was $88,336 while the lowest division average annual salary was $43,101. This represents a 105% difference between the highest and lowest average annual salaries among divisions. Looking at the eight Superintendent's regions, there is a 30% disparity between the highest average annual salary division and the lowest annual salary division. While the majority of divisions with the highest average annual salaries are in Region 4 in the Northern Virginia, the regional average for Region 4, is significantly lower than the highest salary divisions concentrated in that region.

Figure 17. Teacher Salaries by Superintendent Regions FY 2022

Region	Avg Annual Teacher Salary (Primary & Secondary)[24]	Avg Bachelor's Starting Salary[25]	Avg Master's Starting Salary[26]	K-12 Enrollment[27]	Actual # of Teachers[28]	% of Total Teachers	Actual Student to Teacher Ratio
4	$65,830	$48,346	$52,782	457,371	39,590	38.2%	11.6
2	$59,951	$45,654	$48,328	241,467	18,923	18.3%	12.8
1	$58,149	$46,627	$48,884	179,729	15,422	14.9%	11.7
3	$56,268	$44,226	$46,905	82,574	6,435	6.2%	12.8
5	$54,989	$43,656	$46,424	94,791	8,748	8.4%	10.8
6	$54,149	$41,176	$43,626	79,189	6,969	6.7%	11.4
8	$52,010	$42,563	$44,826	25,405	2,342	2.3%	10.8
7	$50,835	$38,540	$41,078	58,260	5,212	5.0%	11.2

[24] Table 19 of the Superintendent's Annual Report for Virginia, Primary and Secondary Teachers
[25] Data reported by school divisions to VDOE
[26] Data reported by school divisions to VDOE
[27] VDOE Fall Membership for K-12, number of students enrolled in public school on September 30
[28] Table 19 of the Superintendent's Annual Report for Virginia, Primary and Secondary Teachers

Teacher Salaries Do Not Correlate with Impact

Virginia local school divisions, like others across the country, continue to face challenges related to educator recruitment and retention. Executive Directive Number Three addresses the Commonwealth's teacher shortages by removing obstacles that prevent qualified individuals from filling critical vacancies. The Department has taken several proactive steps to address this need. Policies and supports have been implemented to make careers in education more attainable, including a new online licensure portal. Additionally, practices are in place to strengthen the recruitment and retention of highly qualified educators with an emphasis on critical shortage areas in Virginia.

The next series of charts will provide information comparing salaries and teacher experience, test scores, and per pupil spending amounts. All of these are key factors for exploring next steps in the recruitment and retention of educators in Virginia. In the charts below, VDOE uses the Instructional Personnel Report (IPAL) data collection report to calculate retention and vacancy rates. The VDOE began a new collection tool called Position and Exit Codes (PEC) in 2021. PEC could not be used for longitudinal purposes as the data is not comparable to IPAL.

Attracting Experienced Teachers

School divisions with lower salaries are still attracting experienced teachers, further indicating that teacher salaries are competitive with nearby counties and states. Among the bottom ten divisions in terms of average annual salary, the average years of experience was 9.1 years while the top ten divisions in terms of average annual salary was 8.4 years of experience. Some of the divisions with lower average salaries have a large percentage of teachers that have taught for over 21 years, including Craig County where 17.6% of their teachers have taught for 21 or more years. The community, school culture, and cost of living are clearly factors that impact retention across the Commonwealth – it is not simply salary.

Figure 18. Average Years of Teaching Experience by School Division FY 2022[29]

Division	Average Annual Teacher Salary (Primary & Secondary)	Avg. Years of Experience (capped at 21 yrs)	# Teachers with 21 or more years experience (capped in avg. at 21 yrs)	% of Actual Teachers
Top Ten Avg Annual Salary FY 2022				
Arlington	$88,336	7.8	20	1.0%
Falls Church	$85,570	9.1	13	8.3%
Alexandria	$82,724	8.3	76	7.3%
Loudoun	$79,672	9.5	464	7.9%
Fairfax	$77,537	7.8	28	0.2%
Manassas	$74,788	8.5	9	1.9%
Prince William	$72,883	9.1	426	7.2%
Williamsburg	$68,955	8.5	4	0.5%
Louisa	$67,035	9.3	7	1.9%
Manassas Park	$66,592	6.1	-	0.0%
Avg Top 10	$76,409	8	116	3.6%
Bottom Ten Avg Annual Salary FY 2022				
Russell	$43,101	9.9	1	0.4%
Dickenson	$43,192	10.7	27	12.3%
Craig	$45,287	9	9	17.6%
Mecklenburg	$46,539	8.7	1	0.3%
Giles	$46,882	8.4	-	0.0%
Brunswick	$47,013	6.2	-	0.0%
Northampton	$47,064	8	11	10.1%
Buchanan	$47,128	10.6	1	0.4%
Grayson	$47,615	10.9	19	13.9%
Tazewell	$48,119	8.6	1	0.2%
Avg Bottom 10	$46,194	9	9	5.5%

[29] Instructional Personnel Report (IPAL) was used as it is the only source that provides years of teaching experience. The VDOE began a new collection tool called Position and Exit Codes (PEC) in 2021. PEC could not be used for longitudinal purposes for this report.

Student Performance

Looking at the highest and lowest average salary divisions, there is not a high correlation between average teacher salaries and reading and mathematics pass rates. The lower paying divisions on average have slightly lower pass rates, but looking at individual divisions, some of the lower average salary divisions have equal or higher pass rates than the top average salary divisions.

Figure 19. Reading and Mathematics Pass Rates for Divisions with Highest and Lowest Average Annual Salaries

Division	Avg Annual Teacher Salary (Primary & Secondary)[30]	2018-2019 Pass Rate[31]		2021-2022 Pass Rate[32]	
		Reading	Math	Reading	Math
Top Ten Avg Annual Salary FY 2022					
Arlington	$88,336	83	87	80	74
Falls Church	$85,570	91	91	92	87
Alexandria	$82,724	68	70	61	49
Loudoun	$79,672	84	87	80	74
Fairfax	$77,537	81	86	79	74
Manassas	$74,788	64	71	57	49
Prince William	$72,883	79	83	75	67
Williamsburg	$68,955	81	86	77	72
Louisa	$67,035	77	84	75	75
Manassas Park	$66,592	67	77	60	51
Average	$76,409	77.5	82.2	73.6	67.2
Bottom Ten Avg Annual Salary FY 2022					
Russell	$43,101	83	90	80	76
Dickenson	$43,192	83	89	73	68
Craig	$45,287	75	73	72	69
Mecklenburg	$46,539	78	85	74	68
Giles	$46,882	76	82	70	61
Brunswick	$47,013	62	67	57	52
Northampton	$47,064	66	70	55	44
Buchanan	$47,128	72	79	66	57
Grayson	$47,615	82	87	79	72
Tazewell	$48,119	84	90	80	79
Average	$46,194	76.1	81.2	70.6	64.6

[30] Superintendent's Annual Report for Virginia, Table 19
[31] VDOE SOL State Test Pass Rates by Subject Area, All Students (Remote Reading and Remote Math not included)
[32] VDOE SOL State Test Pass Rates by Subject Area, All Students (Remote Reading and Remote Math not included)

Per Pupil Spending

Local spending creates larger variations in per pupil spending among divisions. Surry spends $26,779 per pupil while Giles spends $10,914 per pupil. Looking at English and Mathematics pass rates among the divisions with the highest and lowest per pupil spends, the lower divisions average lower pass rates but in some cases these divisions still have higher scores than the highest paying divisions. For example, Sussex with a per pupil expenditure of $22,287 has a 70 and 55 pass rate on English and Mathematics respectively while Tazewell has with a per pupil expenditure of $11,994 has a pass rate of 80 and 79.

Figure 20. Highest and Lowest Division Per Pupil Spend FY 2022

Division	Total Per Pupil Spend [33]	English Pass Rate[34]	Math Pass Rate[35]
Highest Per Pupil Spend FY 2022			
Surry	$26,779	76	65
Highland	$25,164	85	82
Falls Church	$24,311	92	87
Arlington	$23,341	80	74
Sussex	$22,287	70	55
Average	$24,376	80.6	72.6
Lowest Per Pupil Spend FY 2022			
Tazewell	$11,994	80	79
King George	$11,991	76	65
New Kent	$11,927	77	74
Appomattox	$11,842	74	67
Giles	$10,914	70	61
Average	$11,734	75.4	69.2

Retention and Vacancy Rates

As one can see in the table below, salaries alone do not impact teacher retention. This data represents a significant difference in retention and vacancy rates across the eight regions. The Western and Southwestern portion of the state see the best retention and lowest vacancy rates. These school divisions are competing with Tennessee, Kentucky, and West Virginia where they have competitive, and in many cases better, salaries than these neighboring states. Conversely, the data reflects that the Tidewater and Southside Regions see the lowest retention rates and greatest vacancies. Tidewater often competes with Northern states while Southside competes

[33] Table 15 of the Superintendent's Annual Report for Virginia
[34] VDOE SOL State Test Pass Rates by Subject Area, All Students (Remote Reading and Remote Math not included)
[35] VDOE SOL State Test Pass Rates by Subject Area, All Students (Remote Reading and Remote Math not included)

with North Carolina. Both areas have lower salaries than their neighbors, resulting in challenges to retain teachers and recruit new ones.

Figure 21. Teacher Retention and Vacancy Rate by Superintendent Region[36]

	2021-2022		2022-2023	
Region	**Retention Rates**	**Vacancy Rates**	**Retention Rates**	**Vacancy Rates**
1	86.90%	3.50%	85.70%	4.10%
2	87.10%	5.20%	84.90%	6.20%
3	83.70%	3.70%	82.70%	4.80%
4	87.90%	2.30%	86.50%	3.40%
5	85.90%	1.90%	86.00%	2.00%
6	86.50%	1.90%	86.20%	2.10%
7	86.80%	1.10%	87.70%	1.60%
8	80.30%	3.90%	84.40%	4.60%

In summary, Virginia cannot continue to focus on the state average salary only. Salary ranges can vary widely depending on many important factors, including location, education, certifications, and years spent in the profession. Our language and information on teacher pay needs to become more precise, more transparent, more cognizant of regional differences, and more aware of the difficulties to recruit and retain high-quality educators for Virginia's classrooms.

[36] Instructional Personnel Report (IPAL) was used as it is the only source that provides years of teaching experience. The VDOE began a new collection tool called Position and Exit Codes (PEC) in 2021. PEC could not be used for longitudinal purposes for this report.

Next Steps

1. The department recommends that the regional nature of salary decisions needs to be held at localities.
2. A new teacher salary mechanism should be determined producing actual salaries consistent with state budgeted amounts not impacted by local teacher salary decisions.
3. School divisions should review staffing decisions to come into line with declining student populations.
4. School divisions should ensure that funding focuses on staffing in the classroom rather than non-instructional costs.
5. The existing resource-based funding system is convoluted and should be reformed to offer transparency and flexibility for divisions to meet individual student's needs. The state should convene a cross functional group to transform the overall funding system to one focused on servings student needs, improving student performance, and ultimately instructional quality.
6. Better data is needed for more transparent funding. The department needs real time access to teacher staffing and salary levels instead of a formula calculated on a two-year delay, and school divisions needs a stronger funding formula based on student numbers and individual student education needs.
7. The revised student-based funding model should accurately relate inputs to outcomes and be tied to those student outcomes so schools are incentivized to perform well.
8. A student-based model with real time access to spending per student should allow parents to see where money is being spent and how much is being spent per student.

Appendix

Figure 22. Average Teacher Salaries of Neighboring States from FY 2017 – FY 2022[37]

	Average Teacher Salary					
Neighboring States	**2016-2017**	**2017-2018**	**2018-2019**	**2019-2020**	**2020-2021**	**2021-2022**
Virginia	**$50,834**	**$51,049**	**$51,994**	**$59,874**	**$58,506**	**$61,367**
District of Columbia	$75,810	$75,692	$76,186	$79,350	$80,659	$82,523
New Jersey	$69,330	$69,623	$69,917	$82,029	$77,677	$79,045
Maryland	$66,456	$68,357	$69,627	$77,427	$74,006	$75,766
Pennsylvania	$65,151	$66,265	$67,535	$72,284	$71,787	$73,072
Delaware	$59,960	$60,214	$61,725	$66,511	$65,141	$65,647
Ohio	$56,441	$58,202	$58,000	$62,225	$63,082	$64,353
Georgia	$54,190	$55,532	$56,329	$63,568	$60,553	$62,240
Kentucky	$52,134	$52,338	$52,952	$56,651	$54,139	$54,574
North Carolina	$47,941	$49,970	$51,231	$54,150	$53,458	$54,863
South Carolina	$48,769	$50,000	$50,182	$56,488	$53,185	$54,814
Tennessee	$48,217	$50,099	$50,900	$54,577	$52,871	$53,285
West Virginia	$45,622	$45,555	$45,642	$52,075	$50,261	$50,315

[37] VDOE Teacher Salary Reports -- National Education Association's (NEA) "Rankings of the States and Estimates of School Statistics Report