

MINIMUM
SALARY
REQUIREMENT
2021

IEERB Compliance



Minimum Salary

SECTION 154. IC 20-28-9-26 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2021]: Sec. 26. (a) **For each school year beginning after June 30, 2022**, if a school corporation determines that the school corporation cannot establish a **minimum salary of forty thousand dollars (\$40,000) for each full-time teacher**, the school corporation shall submit a report to the department explaining the school corporation's inability to meet the minimum threshold requirement.

(b) A report submitted under this section must include an explanation of the financial challenges, with detailed data, that preclude the school corporation from meeting the minimum salary threshold required under subsection (a). The report must also describe the cost saving measures taken by the school corporation in attempting to meet the minimum salary threshold required under subsection (a).



Minimum Salary

Potential Future CBA Requirement (Implementing I.C. 20-28-9-26 [effective July 1, 2021])

- For each school year beginning after June 30, 2022, the compensation plan must reflect a minimum salary of not less than \$40,000 for each full-time teacher, or include a statement indicating that a waiver of the \$40,000 minimum teacher salary requirement has been or will be filed with the Department of Education.



Minimum Salary

4

Questions Received



- ▶ Teachers currently employed make less than \$40K, will there be some kind of Catch-Up language for those teachers?
- ▶ Does the state assume that other staff members will receive compensation since the bottom tier of teacher salaries will be impacted? In other words, will corporations be allowed to shift their entire salary scale to compensate all teachers for the \$40K minimum salary?



2021 MODEL COMPENSATION PLAN #4

Salary Increase Differential to "Reduce the Gap" based on Experience

- I. Salary Range**
\$38,000 to \$65,000, not including current year increases or TRF contributions.
- II. Average and Gap**
The average of the minimum and maximum teacher salary = \$51,500
The gap between the minimum and average salaries = \$13,500
- III. Base Salary Increases**
- A. General Eligibility**
To be eligible for a salary increase, a teacher must not have received a rating of ineffective or improvement necessary in the prior school year. A teacher who received a rating of ineffective or improvement necessary remains at their prior year salary.
- B. Factors and definitions**
1. Evaluation rating – The teacher received a highly effective or effective evaluation rating for the prior year.
 2. Year of experience – The teacher was employed in the corporation for at least 120 days in a given school year.
- C. Distribution** – amounts to be added to a teacher's base salary
1. Evaluation rating = \$1,000
 2. Year of experience – **The salary increase for experience is to reduce the gap.**¹
 - a. Teachers with one or two consecutive years' experience with the corporation = \$2,000.
 - b. Teachers with three or four consecutive years' experience with the corporation = \$1,750
 - c. Teachers with five to ten years' experience with the corporation = \$1,500
 - d. Teachers with eleven or more years' experience with the corporation = \$1,250
- D. Redistribution**
Any funds otherwise allocated for teachers who were rated ineffective or improvement necessary will be equally redistributed to all teachers rated effective or highly effective. The redistribution will be in the form of a stipend that will be paid at the end of the school year.
- IV. New minimum and maximum, Average, and Gap after the "reduce the gap" salary increase is implemented²**
New minimum and new maximum = \$40,000 to \$66,250³
The average of the new minimum and maximum teacher salary = \$53,125
The gap between the new minimum and average salaries = \$13,125
The gap has been reduced by \$375.

¹ The specific increase differential that is used to reduce the gap must be clearly identified.² Note: The increase for experience is exempt from the 50% cap because the specific salary increase to reduce the gap is based on a factor, clearly identified and actually reduces the gap.³ For purposes of determining if the gap has been reduced by the specific salary increase, the new minimum and maximum salaries are determined by adding the "reduce the gap" increase to the previous minimum salary and to the previous maximum salary. In this case the new minimum is \$40,000 (\$38,000 + \$2,000), and the new maximum is \$66,250 (\$65,000 + \$1,250).

2021 MODEL COMPENSATION PLAN #4-A

Salary Increase Differential to "Reduce the Gap" based on Academic Needs

- I. Salary Range**
\$38,000 to \$65,000, not including current year increases or TRF contributions.
- II. Average and Gap**
The average of the minimum and maximum teacher salary = \$51,500
The gap between the minimum and average salaries = \$13,500
- III. Base Salary Increases**
- A. General Eligibility**
To be eligible for a salary increase, a teacher must not have received a rating of ineffective or improvement necessary in the prior school year. A teacher who received a rating of ineffective or improvement necessary remains at their prior year salary.
- B. Factors and definitions**
1. Evaluation – The teacher received a highly effective or effective evaluation rating for the prior year.
 2. Academic need – The need to retain teachers whose current salary is less than \$40,000.
- C. Distribution** – amounts to be added to a teacher's base salary
1. Evaluation rating = \$1,250
 2. Academic Needs – **The salary increase for academic needs is to reduce the gap.**¹
 - a. Teachers whose current salary is between \$38,000 and \$38,499 = \$2,000
 - b. Teachers whose current salary is between \$38,500 and \$38,999 = \$1,750
 - c. Teachers whose current salary is between \$39,000 and \$39,999 = \$1,500
- D. Redistribution**
Any funds otherwise allocated for teachers who were rated ineffective or improvement necessary will be equally redistributed to all teachers rated effective or highly effective. The redistribution will be in the form of a stipend that will be paid at the end of the school year.
- IV. New minimum and maximum, Average, and Gap after salary increases are implemented**
New minimum and new maximum = \$40,000 to \$65,000²
The average of the new minimum and maximum salary = \$52,500
The gap between the new minimum and average salaries = \$12,500
The gap has been reduced by \$1,000.

¹ The specific increase differential that is used to reduce the gap must be clearly identified.² For purposes of determining if the gap has been reduced by the specific salary increase, the "new" minimum is the sum of the old minimum + the "reduce the gap" increase. The new maximum is the sum of the old maximum + the "reduce the gap" increase. In this case, the new minimum is \$40,000 (\$38,000 + \$2,000), and the maximum remains the same (\$65,000 + \$0).

2021 MODEL COMPENSATION PLAN #5

Salary Increase Differential to Implement a Teacher Retention Catch-Up

- I. Salary Range**
\$38,000 to \$70,000, not including current year increases or TRF contributions.
- II. Base Salary Increases**
- A. General Eligibility**
To be eligible for a salary increase, a teacher must not have received a rating of ineffective or improvement necessary in the prior school year. A teacher who received a rating of ineffective or improvement necessary remains at their prior year salary.
- B. Factors and definitions**
1. Evaluation – The teacher received a highly effective or effective evaluation rating for the prior year.
 2. Year of Experience – The teacher was employed in the corporation for at least 120 days in a given school year.
 3. Academic need – The need to retain teachers with one or more years' experience with a salary at or below the new teacher minimum by increasing these teachers' salaries up to an additional \$2,000 in comparison to the increase in the new teacher minimum salary.
- C. Distribution** – amounts to be added to a teacher's base salary
1. Evaluation rating = \$1,000
 2. Experience = \$250
 3. Academic Needs – **The salary increase for academic needs is a teacher retention catch-up.**¹
 - a. Teachers with at least 1 year of experience whose current salary is \$38,000 prior to increases = \$2,000.
 - b. Teachers with at least 2 years of experience whose current salary is \$38,500 or less prior to increases = \$1,750.
 - c. Teachers with at least 3 years of experience whose current salary is \$39,000 or less prior to increases = \$1,500.
- Experience accounts for approximately 7.7% of the total possible increase (\$250/\$3,250).²
- D. Redistribution**
Any funds otherwise allocated for teachers who were rated ineffective or improvement necessary will be equally redistributed to all teachers rated effective or highly effective. The redistribution will be in the form of a stipend that will be paid at the end of the school year.
- III. Teacher Retention Catch-Up New Teacher Salary Comparison**
2020-21 New Teacher Starting Minimum Salary = \$38,000
2021-22 New Teacher Starting Minimum Salary = \$40,000

Increase in New Teacher Starting Minimum Salary = \$2,000

¹ The specific salary increase that is used to implement the teacher retention catch-up must be clearly identified.² Because the academic needs increase is designated as a teacher retention catch-up, it is exempt from the 50% calculation despite including an experience component.

Recommended Options for Differentiation



Minimum Salary: Model Compensation Plan #3

2021 MODEL COMPENSATION PLAN #3 Salary Increase Differential based on Academic Needs Academic Needs defined as need to retain teachers based on their current salary level

6

I. Salary Range

\$38,000 to \$65,000, not including current year increases or TRF contributions.

II. Base Salary Increases

A. General Eligibility

To be eligible for a salary increase, a teacher:

1. Must not have been rated ineffective or improvement necessary in the prior year, AND
2. Must have been employed at least 120 days in the prior year.

A teacher who does not satisfy these eligibility criteria remains at their prior year salary.

B. Factors and definitions

1. Evaluation rating – The teacher received a highly effective or effective evaluation rating for the prior year.
2. Year of experience – The teacher was employed in the corporation for at least 120 days in the prior school year.
3. Academic Need – The importance of retaining teachers in the corporation based on their current salary level.

C. Distribution – amounts to be added to a teacher's base salary

1. Evaluation rating of highly effective or effective = \$1,000
2. Year of experience = \$300
3. Academic Need
 - a. Teacher with salary less than or equal to \$40,000 after increase for evaluation and experience = such amount as will increase their salary to \$41,500.
 - b. Teacher with salary between \$40,001 and \$41,000 after increase for evaluation and experience = such amount as will increase their salary to \$42,000.
 - c. Teacher with salary greater than \$41,001 after increase for evaluation and experience = \$500.

The experience factor accounts for no more than 8.6% of the maximum available salary increase (\$300/\$3,500).

D. Redistribution

Any funds otherwise allocated for teachers who were rated ineffective or improvement necessary will be equally redistributed to all teachers rated effective or highly effective. The redistribution will be in the form of a stipend that will be paid at the end of the school year.



Minimum Salary: Model Compensation Plan #4

2021 MODEL COMPENSATION PLAN #4 Salary Increase Differential to "Reduce the Gap" based on Experience

I. Salary Range

\$38,000 to \$65,000, not including current year increases or TRF contributions.

II. Average and Gap

The average of the minimum and maximum teacher salary = \$51,500

The gap between the minimum and average salaries = \$13,500

III. Base Salary Increases

A. General Eligibility

To be eligible for a salary increase, a teacher must not have received a rating of ineffective or improvement necessary in the prior school year. A teacher who received a rating of ineffective or improvement necessary remains at their prior year salary.

B. Factors and definitions

1. Evaluation rating – The teacher received a highly effective or effective evaluation rating for the prior year.
2. Year of experience – The teacher was employed in the corporation for at least 120 days in a given school year.

C. Distribution – amounts to be added to a teacher's base salary

1. Evaluation rating = \$1,000
2. Year of experience -- **The salary increase for experience is to reduce the gap.**¹
 - a. Teachers with one or two consecutive years' experience with the corporation = \$2,000.
 - b. Teachers with three or four consecutive years' experience with the corporation = \$1,750
 - c. Teachers with five to ten years' experience with the corporation = \$1,500
 - d. Teachers with eleven or more years' experience with the corporation = \$1,250

D. Redistribution

Any funds otherwise allocated for teachers who were rated ineffective or improvement necessary will be equally redistributed to all teachers rated effective or highly effective. The redistribution will be in the form of a stipend that will be paid at the end of the school year.

IV. New minimum and maximum, Average, and Gap after the "reduce the gap" salary increase is implemented²

New minimum and new maximum = \$40,000 to \$66,250³

The average of the new minimum and maximum teacher salary = \$53,125

The gap between the new minimum and average salaries = \$13,125

The gap has been reduced by \$375.

¹ The specific increase differential that is used to reduce the gap must be clearly identified.

² Note: The increase for experience is exempt from the 50% cap because the specific salary increase to reduce the gap is based on a factor, clearly identified and actually reduces the gap.

³ For purposes of determining if the gap has been reduced by the specific salary increase, the new minimum and maximum salaries are determined by adding the "reduce the gap" increase to the previous minimum salary and to the previous maximum salary. In this case the new minimum is \$40,000 (\$38,000 + \$2,000), and the new maximum is \$66,250 (\$65,000 + \$1,250).



Minimum Salary: Model Compensation Plan #4 Calculations

Salary range = \$38,000 to \$65,000

“Average” salary = \$51,500

Gap = \$51,500 - \$38,000 = \$13,500

8

Experience factor (The salary increase for experience is to reduce the gap)

Teachers with 1 or 2 years' experience = \$2,000

Teachers with 3 or 4 years' experience = \$1,750

Teachers with 5 to 10 years' experience = \$1,500

Teachers with 11 or more years' experience = \$1,250

Minimum + reduce the gap increase = \$40,000 (\$38,000 + \$2,000)

Maximum + reduce the gap increase = \$66,250 (\$65,000 + \$1,250)

New range = \$40,000 to \$66,250

New “average” salary = \$53,125

New gap = \$53,125 - \$40,000 = \$13,125.

The gap has been reduced by \$375 (\$13,125 - \$13,500).



Minimum Salary: Model Compensation Plan #4A

2021 MODEL COMPENSATION PLAN #4-A Salary Increase Differential to “Reduce the Gap” based on Academic Needs

I. Salary Range

\$38,000 to \$65,000, not including current year increases or TRF contributions.

II. Average and Gap

The average of the minimum and maximum teacher salary = \$51,500

The gap between the minimum and average salaries = \$13,500

III. Base Salary Increases

A. General Eligibility

To be eligible for a salary increase, a teacher must not have received a rating of ineffective or improvement necessary in the prior school year. A teacher who received a rating of ineffective or improvement necessary remains at their prior year salary.

B. Factors and definitions

1. Evaluation – The teacher received a highly effective or effective evaluation rating for the prior year.
2. Academic need – The need to retain teachers whose current salary is less than \$40,000.

C. Distribution – amounts to be added to a teacher’s base salary

1. Evaluation rating = \$1,250
2. Academic Needs – **The salary increase for academic needs is to reduce the gap.**¹
 - a. Teachers whose current salary is between \$38,000 and \$38,499 = \$2,000
 - b. Teachers whose current salary is between \$38,500 and \$38,999 = \$1,750
 - c. Teachers whose current salary is between \$39,000 and \$39,999 = \$1,500

D. Redistribution

Any funds otherwise allocated for teachers who were rated ineffective or improvement necessary will be equally redistributed to all teachers rated effective or highly effective. The redistribution will be in the form of a stipend that will be paid at the end of the school year.

IV. New minimum and maximum, Average, and Gap after salary increases are implemented

New minimum and new maximum = \$40,000 to \$65,000²

The average of the new minimum and maximum salary = \$52,500

The gap between the new minimum and average salaries = \$12,500

The gap has been reduced by \$1,000.

¹ The specific increase differential that is used to reduce the gap must be clearly identified.

² For purposes of determining if the gap has been reduced by the specific salary increase, the “new” minimum is the sum of the old minimum + the “reduce the gap” increase. The new maximum is the sum of the old maximum + the “reduce the gap” increase. In this case, the new minimum is \$40,000 (\$38,000 + \$2,000), and the maximum remains the same (\$65,000 + \$0).



Minimum Salary: Model Compensation Plan #5

2021 MODEL COMPENSATION PLAN #5 Salary Increase Differential to implement a Teacher Retention Catch-Up

10

I. Salary Range

\$38,000 to \$70,000, not including current year increases or TRF contributions.

II. Base Salary Increases

A. General Eligibility

To be eligible for a salary increase, a teacher must not have received a rating of ineffective or improvement necessary in the prior school year. A teacher who received a rating of ineffective or improvement necessary remains at their prior year salary.

B. Factors and definitions

1. Evaluation – The teacher received a highly effective or effective evaluation rating for the prior year.
2. Year of Experience – The teacher was employed in the corporation for at least 120 days in a given school year.
3. Academic need – The need to retain teachers with one or more years' experience with a salary at or below the new teacher minimum by increasing these teachers' salaries up to an additional \$2,000 in comparison to the increase in the new teacher minimum salary.

C. Distribution – amounts to be added to a teacher's base salary

1. Evaluation rating = \$1,000
 2. Experience = \$250
 3. Academic Needs – The salary increase for academic needs is a teacher retention catch-up¹
 - a. Teachers with at least 1 year of experience whose current salary is \$38,000 prior to increases = \$2,000.
 - b. Teachers with at least 2 years of experience whose current salary is \$38,500 or less prior to increases = \$1,750.
 - c. Teachers with at least 3 years of experience whose current salary is \$39,000 or less prior to increases = \$1,500.
- Experience accounts for approximately 7.7% of the total possible increase (\$250/\$3,250).²

D. Redistribution

Any funds otherwise allocated for teachers who were rated ineffective or improvement necessary will be equally redistributed to all teachers rated effective or highly effective. The redistribution will be in the form of a stipend that will be paid at the end of the school year.

III. Teacher Retention Catch-Up New Teacher Salary Comparison

2020-21 New Teacher Starting Minimum Salary = \$38,000

2021-22 New Teacher Starting Minimum Salary = \$40,000

Increase in New Teacher Starting Minimum Salary = \$2,000

¹ The specific salary increase that is used to implement the teacher retention catch-up must be clearly identified.

² Because the academic needs increase is designated as a teacher retention catch-up, it is exempt from the 50% calculation despite including an experience component.



Additional IEERB Guidance

- Please see the IEERB website at <https://www.in.gov/ieerb/> for additional information, including:
 - [The Compliance Rubric](#), and
 - [Model Compensation Plans](#)
- Have questions? Email them to: questions@ieerb.in.gov.





Thank you!

