

TEACHER COMPENSATION REVIEW BOARD

Report to Governor Rhoden and the Legislature

2025

| BACKGROUND

In 2015, Gov. Dennis Daugaard convened the Blue Ribbon Task Force on Teachers and Students. The task force was charged to “reevaluate the current funding formula, collect and analyze data, engage with stakeholders, and seek public input.” The members outlined three policy goals for education in South Dakota:

- A quality system of schools focused on student achievement
- A workforce of great educators
- An efficient, equitable funding system that supports these goals

Sen. Deb Soholt of Sioux Falls and Rep. Jaqueline Sly of Rapid City co-chaired the 26-member task force. Over the course of the year, the task force held public meetings to seek feedback, consider data, and make recommendations. The task force’s final report, which was issued on Nov. 11, 2015, made numerous recommendations relating to the school funding formula and to teacher salaries. Based on those recommendations, Gov. Daugaard proposed, and the 2016 South Dakota Legislature passed, three pieces of legislation: House Bill 1182, Senate Bill 131, and Senate Bill 133.

| CREATION & CHARGE OF TEACHER COMPENSATION REVIEW BOARD

Among the Blue Ribbon Task Force’s recommendations was the creation of the Teacher Compensation Review Board (TCRB). The task force was concerned that its work not be a one-time event, but that state policymakers continue to periodically consider the state’s teacher salaries, as compared to other states in the region. This recommendation was included in Senate Bill 131 and codified at SDCL 1-45-39. At the time, that statute read:

There is hereby created the Teacher Compensation Review Board within the Department of Education. The board shall review teacher compensation, including comparable wage indexes, in surrounding states at the completion of every three school years. The board will report its findings to the Governor and the Legislature no later than September 30, 2018, and by September thirtieth in every third year thereafter.

The initial appointment of the members to the board shall be made no later than March 1, 2018. The members shall serve a term of three years.

The board shall consist of nine members to be appointed as follows:

1. *Three members of the South Dakota Senate appointed by the president pro tempore of the Senate, no more than two of whom may be from the same political party;*
2. *Three members of the South Dakota House of Representatives appointed by the speaker of the House of Representatives, no more than two of whom may be from the same political party; and*
3. *Three members appointed by the Governor.*

The first TCRB convened in 2018. The 2018 board’s final report is available at <https://tinyurl.com/4b3hevmu>.

The second TCRB convened in 2021. That board’s final report is available at [https://boardsandcommissions.sd.gov/bcuploads/2021%20Teacher%20Compensation%20Review%20Board%20Report%20%20\(1\).pdf](https://boardsandcommissions.sd.gov/bcuploads/2021%20Teacher%20Compensation%20Review%20Board%20Report%20%20(1).pdf).

In the 2022 legislative session, SDCL 1-45-39 was amended by SB 95. SB 95 required that the board review compensation every *two* school years, rather than every *three* years.

The third TCRB convened in 2023. That board's final report is available at [https://boardsandcommissions.sd.gov/bcuploads/TCRB%20Report%202023%20DRAFT%209-6%20\(1\).pdf](https://boardsandcommissions.sd.gov/bcuploads/TCRB%20Report%202023%20DRAFT%209-6%20(1).pdf)

| 2025 TEACHER COMPENSATION REVIEW BOARD

Board Members

The 2023 Teacher Compensation Review Board is composed of the members below.

- Senate-appointed members:
 - Senator Taffy Howard
 - Senator Jamie Smith
 - Senator Curt Voight
- House of Representatives-appointed members:
 - Rep. Eric Emery
 - Rep. Logan Manhart
 - Rep. Tesa Schwans
- Governor-appointed members:
 - Dr. Joseph Graves
 - Dr. Tonia Warzecha
 - Dr. David DeJong

The Department of Education staffed the board with assistance from Caitlin Scott of Marzano Research.

Board Meetings

The board's first meeting was on June 16, 2025, in Pierre. In attendance were Dr. Joseph Graves, Dr. David De Jong, Rep. Eric Emery, Sen. Taffy Howard, Rep. Logan Manhart – via Zoom, Rep. Tesa Schwans, Sen. Curt Voight, Dr. Tonia Warzecha. Sen. Jamie Smith was not in attendance.

At the June 16 meeting, Dr. Graves was elected chair, and Sen. Voight was elected vice chair. The board heard a presentation, titled "FIRST LOOK AT CORE DATA EXAMINING TEACHER COMPENSATION, NATIONAL RANKINGS, AND COMPARABLE WAGES" presented by Caitlin Scott of Marzano Research. *The full presentation is available in Appendix A of this report.*

The board's second meeting was held on July 28, 2025, in Pierre. In attendance were Dr. Joseph Graves, Dr. David De Jong, Rep. Eric Emery, Sen. Taffy Howard, Rep. Logan Manhart – via Zoom, Rep. Tesa Schwans, Sen. Jamie Smith, Sen. Curt Voight, and Dr. Tonia Warzecha.

At the July 28 meeting, the board heard a presentation from Caitlin Scott of Marzano Research. This presentation revisited current efforts by the Department of Education to ease teacher shortages and addressed questions and topics from the June meeting. The full presentation can be found in Appendix B. The board developed five recommendations for consideration at the Aug. 20 meeting.

The five proposed recommendations from the July 28 meeting of the Teacher Compensation Review Board are as follows:

1. **Recommendation 1:** Leave unchanged the current metrics for minimum teacher salary and average teacher compensation, enacted during the 2024 legislative session. Those metrics appear to be creating positive changes for teacher pay in South Dakota and their effects should be allowed to continue at this time.
2. **Recommendation 2:** Because of the continuing, though tapering, shortage of K-12 teachers and the impact that teachers leaving the profession before retirement have on it, encourage the Department of Education to expand professional development opportunities to productively address student behavior.
3. **Recommendation 3:** Request the Department of Education to collect one-time data on the amount of class/instructional time spent on extracurricular and athletics programs for both students and teachers.
4. **Recommendation 4:** As attracting and retaining great teachers to South Dakota schools involves both financial and school culture solutions, direct the South Dakota Department of Education to draft a brief white paper on best practices on the presence of smart phones in schools.
5. **Recommendation 5:** Direct the Department of Education to review research on the effect of student to teacher ratios on student achievement and teacher job satisfaction and bring forth any recommendations it feels might be beneficial.

At the August 20 meeting, the board reviewed a draft of the 2025 report. Recommendations are outlined on page 10.

| DATA REVIEW

The Teacher Compensation Review Board reviewed data on South Dakota teacher salaries; South Dakota's ranking relative to other states; wages in other, comparable sectors; 'annualized' teacher compensation figures; teacher shortages; retention and recruitment efforts in the state; and projections of the teacher workforce and student enrollment. This section highlights some of the data reviewed by the board. All data reviewed by the board can be found in the Appendix of this report.

Salary Increases Over Time

In the 2015-16 school year, the year the Blue Ribbon Task Force was convened, South Dakota had the lowest average teacher salary of all 50 states and the District of Columbia. In that year, the average South Dakota teacher salary was \$42,025. The following year, after efforts of the task force, the legislature, and the governor, the average teacher salary rose 11.8 percent, to \$46,979. This was about \$1,500 short of the Target Teacher Salary for that year, which was set by the South Dakota Legislature at \$48,500.

Each year, the Legislature reviews and determines funding levels for K-12 education based on the formula outlined in SDCL 13-13-10.1. Between school years 2016-17 and 2023-24, the Target Teacher Salary increased 23.01 percent, and the actual average teacher salary increased 19.9 percent. While the Legislature set the Target Teacher Salary at \$59,659.25 for school year 2023-24, the average teacher salary in South Dakota for that year is \$56,328. These numbers reflect the period before the enactment of the required metrics on minimum teacher salaries and average teacher compensation by district.

FIGURE A: AVERAGE SD TEACHER SALARY HAS GROWN 7.7% BETWEEN SCHOOL YEARS 2016-17 AND 202

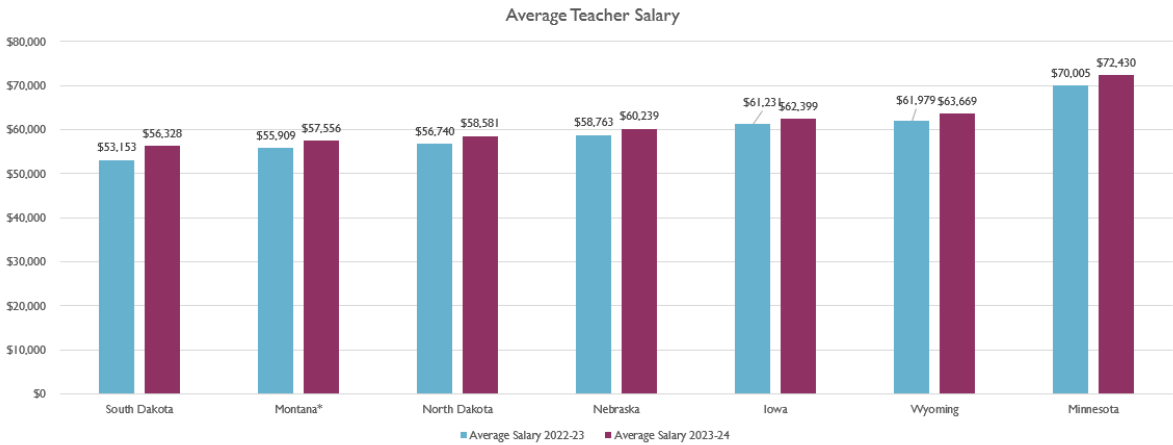
Salary Increases Over Time

School Year	Target Teacher Salary			Average SD Teacher Salary (NEA)		NEA Ranking
	\$	% Change from baseline year; 2016-17	% Change from year to year	\$	% Change from year to year	
2016-17	\$48,500.00			\$46,979		48
2017-18	\$48,645.50	0.30%	0.30%	\$47,631	1.39%	47
2018-19	\$49,131.96	1.30%	1.00%	\$48,204	1.20%	48
2019-20	\$50,360.26	3.84%	2.50%	\$48,984	1.62%	50
2020-21	\$51,367.47	5.91%	2.00%	\$49,547	1.15%	49
2021-22	\$52,600.29	8.45%	2.40%	\$50,592	2.11%	49
2022-23	\$55,756.31	14.96%	6.00%	\$53,153	5.06%	49
2023-24	\$59,659.25	23.01%	7.00%	\$56,328	5.97%	46
2024-25	\$62,045.62	27.93%	4.00%			
2025-26	\$62,821.19	29.53%	1.25%			

Source: South Dakota Department of Education School Financial Data and National Education Association

The charge of the Teacher Compensation Review Board was to review teacher compensation relative to surrounding states. The data available from 2023-24 (the most recent year with final data) shows that South Dakota continues to be last in the region at \$56,328. The state closest to South Dakota in salary is Montana, whose average teacher salary is \$1,228 more than South Dakota’s though we have closed the gap significantly. Minnesota has the highest salary in the region, at \$72,430. South Dakota teacher salaries have been going up in the years since the task force was convened; however, other states are also increasing.

FIGURE B: DESPITE SALARY INCREASES IN SD, THE STATE CONTINUES TO LAG BEHIND OTHER STATES IN THE REGION

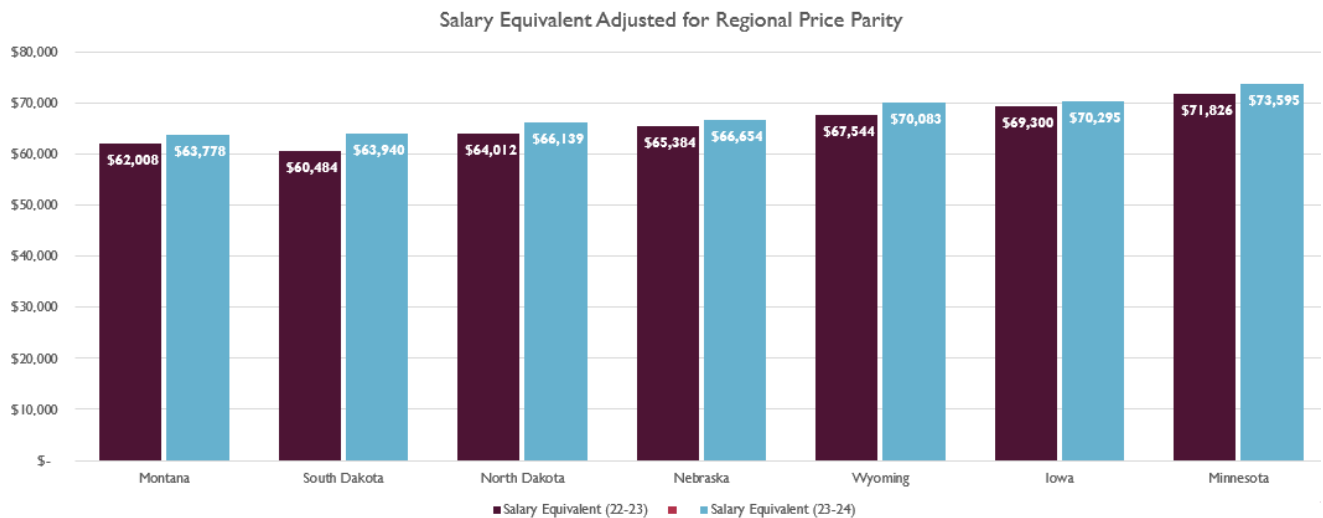


*Montana’s average teacher salary for 2023-24 are reported as an estimate by NEA

Source: National Education Association, SY2023-24

When adjusted for regional price parity, South Dakota has now moved ahead of one regional state, Montana. Price parity asks the question: What is the buying power of a teacher’s salary in South Dakota compared to other states?

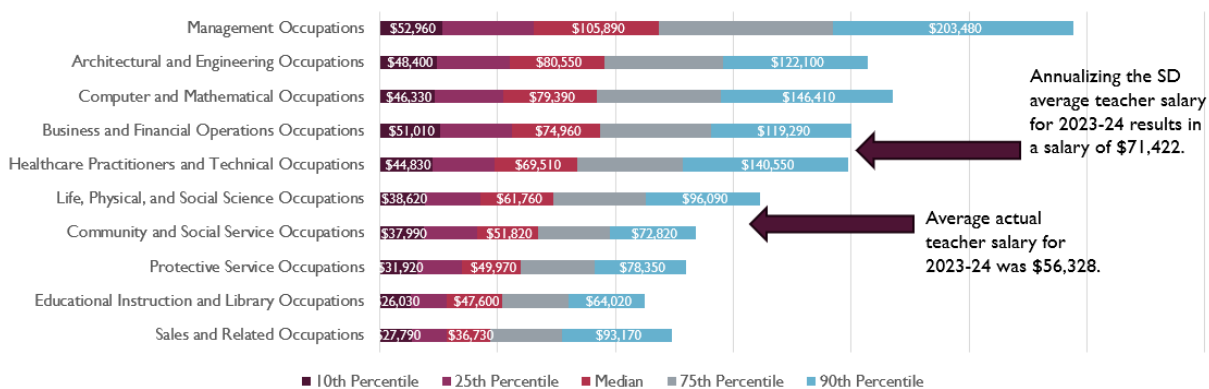
FIGURE C: SALARY DIFFERENCE IS SMALLER WITH PRICE PARITY, AND SD HAS NOW PASSED ONE OTHER STATE



Source: National Education Association and Bureau of Economic Analysis

The board also considered data that looked at competition coming from other sectors of the economy – seeking to answer the question: What are the earnings of people who are similarly educated and work in similar positions? Figure D shows median salaries and ranges for Educational Instruction and Library Occupations as compared to other service occupations and sales positions. The median salary for people in Educational Instruction and Library Occupations is \$47,600. This is more than the median salaries of those working in Sales, and related services. It is important to note that this is national data; it is not specific to South Dakota salaries.

FIGURE D: MEDIAN SALARY AND RANGE FOR EDUCATION AND LIBRARY OCCUPATIONS, AS COMPARED TO OTHER OCCUPATIONS



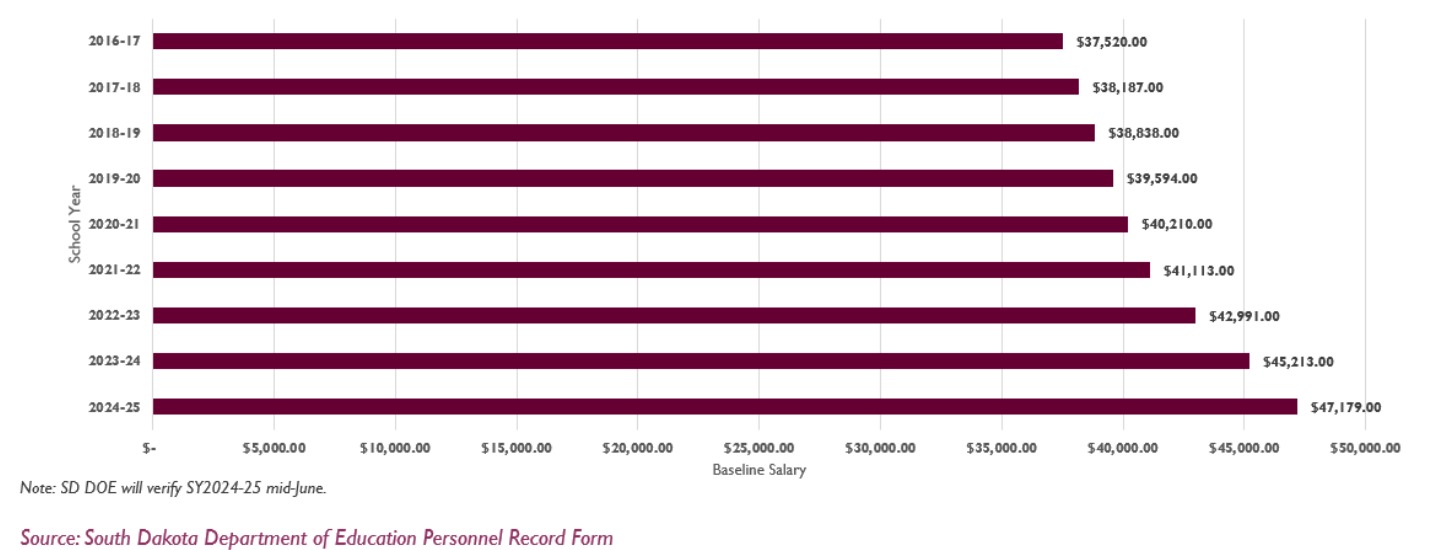
Source: Bureau of Labor Statistics

Source: Bureau of Labor Statistics, 2024; Annualized calculation from authors analysis

While the board focused its attention primarily on average teacher salaries in South Dakota, it also considered data related to base, or starting, teacher salaries and trends related to administrator salaries. School districts have experienced challenges of attracting employees in general – whether certified teachers or classified staff such as bus drivers, custodians, and food service workers.

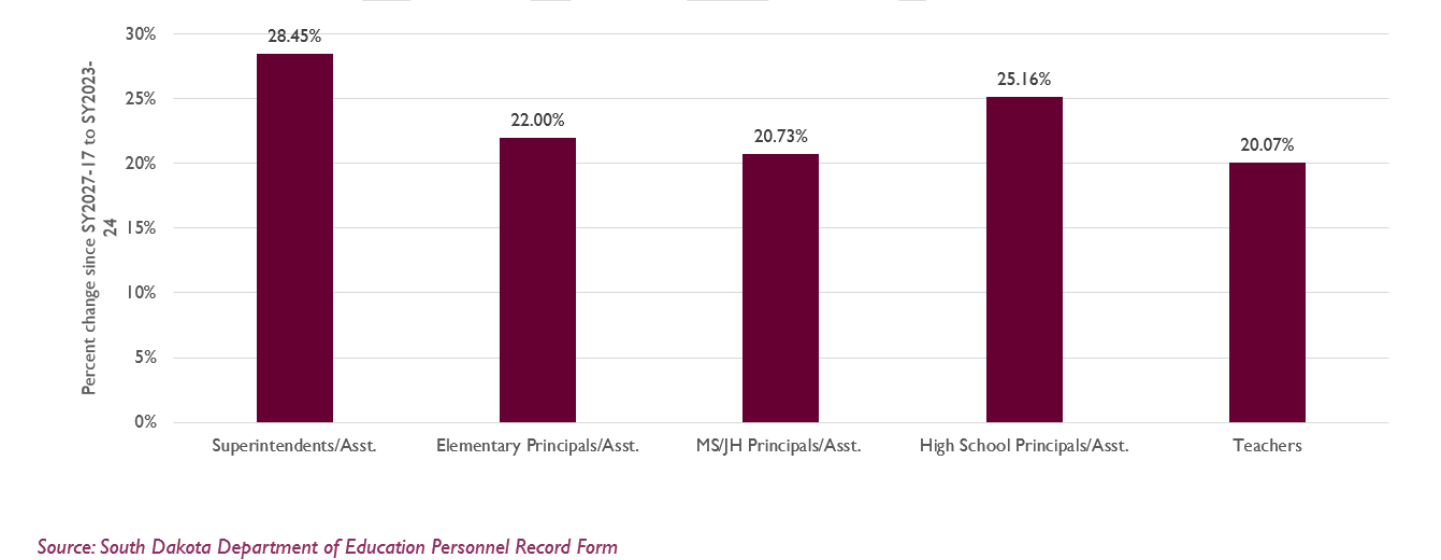
After the Blue Ribbon task force was convened, the average salary for a first-year teacher (base) jumped to \$37,520 in 2016-17, up from \$32,546 in 2015-16. By 2024-25, first-year teachers earned (DOE Data) an average of \$47,179. This was a 25.7 percent increase from 2016-17 to 2024-25.

FIGURE E: BASE TEACHER SALARIES INCREASED ALMOST 2% MORE THAN AVERAGE TEACHER SALARIES BETWEEN 2016-17 AND 2024-25



In the same time period, the average superintendent salary rose 28.45 percent. Salaries for principals increased between 20.1 and 25.2 percent.

FIGURE F: ADMINISTRATOR SALARIES HAVE INCREASED MORE THAN TEACHER SALARIES BETWEEN 2016-17 AND 2022-23

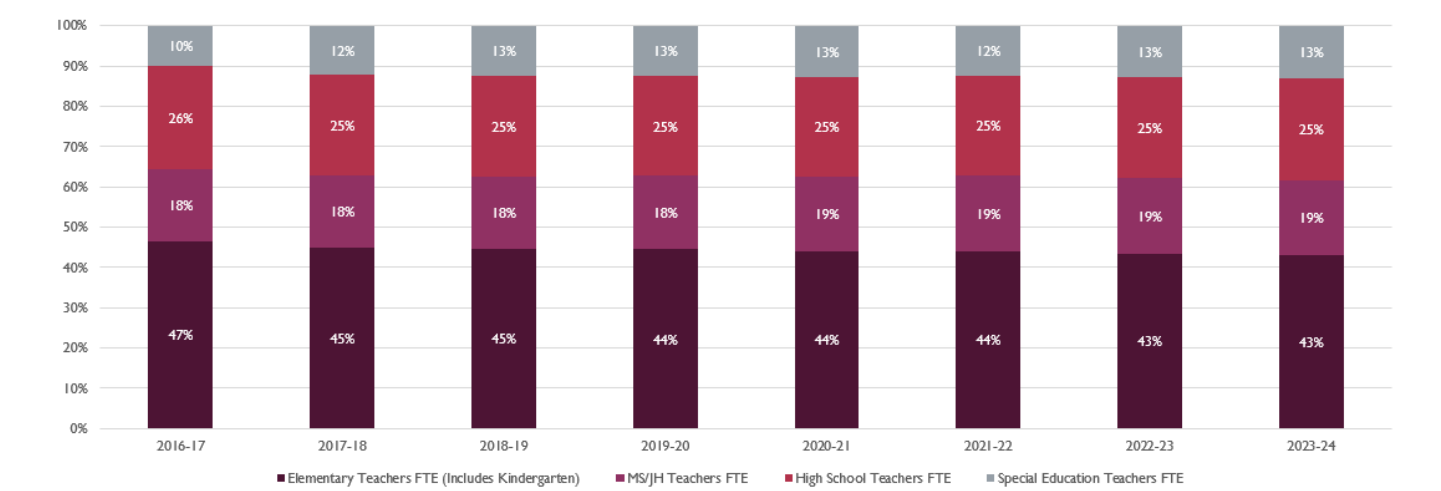


Teacher Workforce Considerations

According to data from the Department of Education, most job openings in South Dakota’s education system are the result of a teacher retiring, going on to teach in another district in South Dakota, or other employment outside

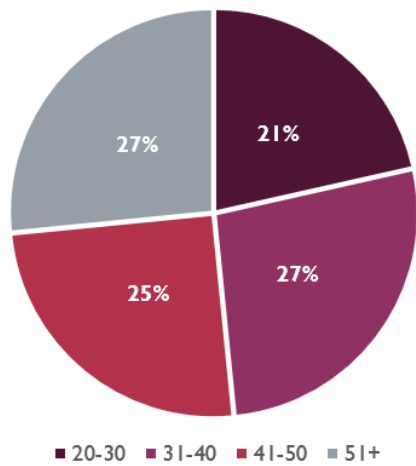
education (Figure G). Teachers who reach retirement age tend to continue teaching beyond the year in which they are eligible to retire. Despite this, the teacher workforce in South Dakota is evenly distributed by age (Figure H).

FIGURE G: RETIREMENT AND MOVEMENT WITHIN THE SOUTH DAKOTA EDUCATION SYSTEM REPRESENT NEARLY 60% OF TEACHERS LEAVING THEIR POSITIONS AS REPORTED BY DISTRICTS



Source: South Dakota Department of Education Personnel Record Form, SY2023-24

FIGURE H: AGE DISTRIBUTION OF TEACHER WORKFORCE IN SOUTH DAKOTA



Source: South Dakota Department of Education Personnel Record Form, SY2023-24

At the other end of the workforce pipeline, the number of certificates issued to initial educators (new graduates) and out-of-state educators (reciprocity) have increased over time – growing by about 25 percent since 2019-20.

FIGURE I: CERTIFICATES PROCESSED FOR SD GRADUATES AND OUT-OF-STATE APPLICANTS

	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY2023	FY2024
Initial (Initial Educator, Educator Permit Only, Alternative Preliminary)	570	421	537	595	673	368	1017
Initial based on Reciprocity (Provisional, Out-of-State, Out-of-Country)	144	141	219	265	308	164	318
Alternative Certification (CTE, General Education, TFA, SPED, Administrator)	70	165	138	123	170	120	135
Renewal (Educator Certification, Educator Permit, Provisional, Alt Cert, Temporary)	1837	2045	2251	2379	2323	1733	3944
Updates (Duplicate Certificate, Add Endorsement, Correction, Public Record Request)	385	521	503	582	615	292	381
Total Certificates Processed	3,006	3,293	3,648	3,944	4,089	2,677 (4,236)	5,795 (4,236)

Note: A system change in FY2023 impacted certificate reporting. To address this issue, *Total Certificates Proceed* in parenthesis represent the average total certificates processed in FY2023 and FY2024.

Source: South Dakota Department of Education Certification System

In terms of teacher shortage, the areas with the most need are consistently elementary and special education (SPED) teachers. Elementary teachers tend to be in high demand because school districts need more elementary teachers than any other area; it's about sheer volume. SPED teachers tend to be in high demand because of their specialized knowledge and skillset. Math is a new addition to the highest vacancy rankings.

FIGURE J: THE NUMBER OF JOB POSTINGS FOR TEACHERS IS INCREASING

South Dakota Educator Job Postings

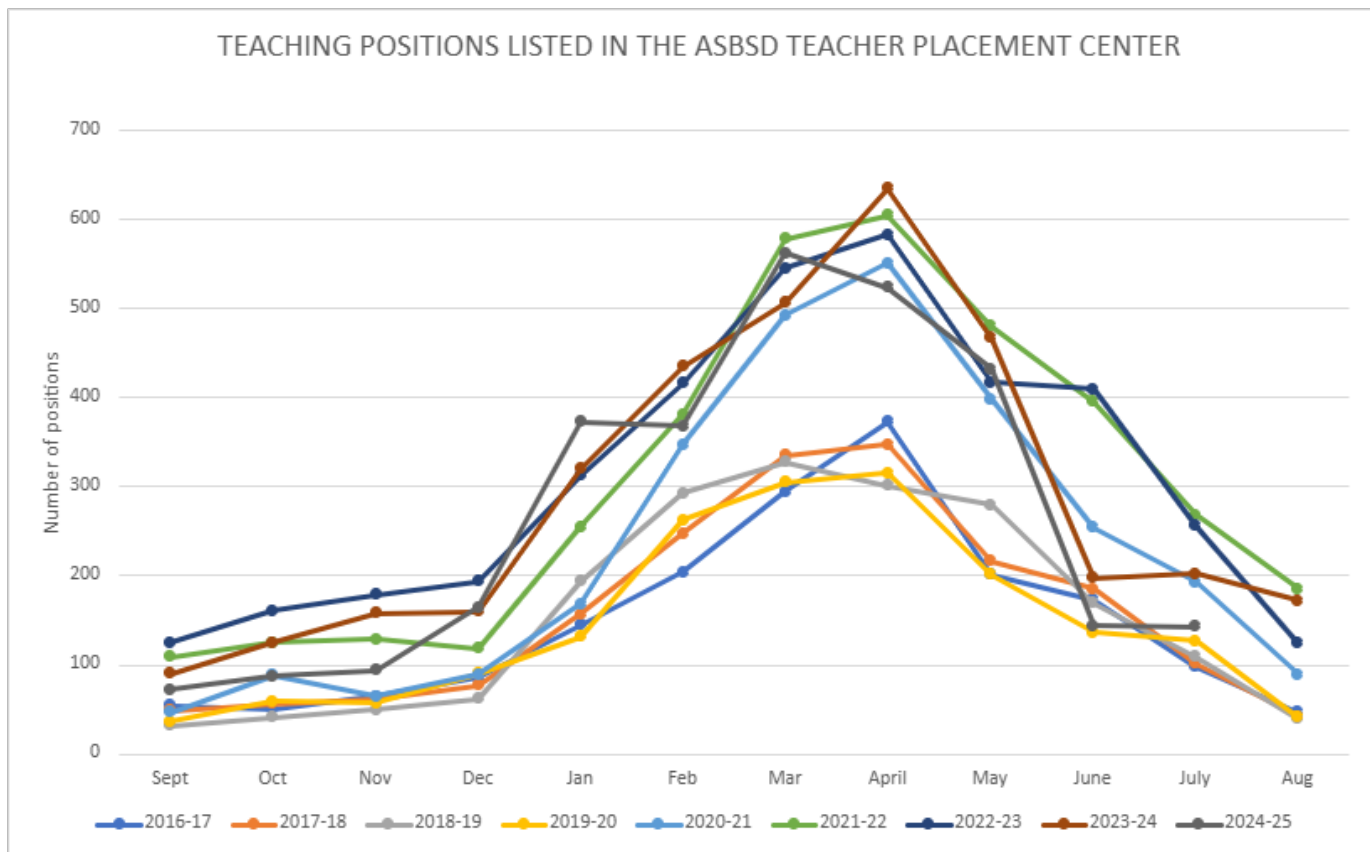
Highest Categories of Positions Posted on the Teacher Placement Center

2020		2021		2022		2023		2024	
April									
SPED/Early Childhood	53	SPED/Early Childhood	71	Elementary Teachers	89	Elementary Teachers	118	Elementary Teachers	96
Elementary Teachers	52	Elementary Teachers	69	SPED/Early Childhood	78	SPED/Early Childhood	102	SPED/Early Childhood	79
CTE	35	Math Teachers	52	Art/Music/Health/PE	65	Art/Music/Health/PE	53	Math	74
Art/Music/Health/PE	28	English/Language Arts	52	English/Language Arts	43	Administration & CTE	33	English/Language Arts	63
August									
SPED/Early Childhood	8	SPED/Early Childhood	24	SPED/Early Childhood	31	Elementary Teachers	49	SPED/Early Childhood	24
Elementary Teachers	4	Elementary Teachers	17	Elementary Teachers	24	SPED/Early Childhood	43	Math	24
Math Teachers	4	English/Language Arts	8	CTE	16	Art/Music/Health/PE	26	Science	22
Speech Pathologist	4	CTE	7	English/Language Arts	12	Administration & CTE	18	Elementary Teachers	21

Source: Associated School Boards of South Dakota

In the most recent data, July of 2025, vacancies have fallen significantly from those listed in July of previous years post-COVID. There were 143 vacancies in schools as of July 2025. This is 26 percent fewer vacancies from July of 2021 46 percent fewer from July of 2022, 44 percent fewer vacancies from July of 2023, and 29 percent fewer vacancies from July 2024.

FIGURE K: UNFILLED TEACHING POSITIONS APPEAR TO BE FALLING



| CURRENT EFFORTS TO EASE TEACHER SHORTAGE

As part of the board’s discussion, Secretary of Education Joseph Graves shared information about steps the Department of Education has taken to address teacher shortage challenges in the state.

- Teacher Apprenticeship Pathway:** Now in its third cohort, this “grow your own” model is clearly having an impact across the state. The Department of Education and the Department of Labor and Regulation, together with Northern State University and Dakota State University have implemented a successful program of helping paraprofessionals already working in South Dakota school districts obtain their teaching certificates. The program has accepted a total of approximately 240 apprentices to take part in a two-year program to combine their experience in schools with an education from NSU or DSU. The program has seen 59 graduates, 50 of whom have signed teaching contracts to date.
- Student Teacher Permits:** The department changed Administrative Rule to allow school districts to pay student-teachers, and in some cases, to hire qualifying student-teachers as teachers of record in classrooms with an unfilled vacancy. The change allows school districts to remain competitive with border states.
- Grants to Support Student-Teachers:** HB 1092 from the 2025 Legislative Session appropriated \$500,000 to the department to provide accredited school districts with a \$5,000 grant to financially support their student teachers. As of July 2025, 29 schools and districts had applied for the program.

- **State Mentoring Program:** Through the State Mentoring Program, new teachers are paired with veteran teachers, who help to guide them through their first two years in the classroom. The program is meeting its aim of helping with teacher retention rate. New teachers who participate in the mentoring program stay in the profession at a 15 percent greater rate than those who do not participate in the program.
- **Educators Rising:** The department supports Educators Rising, a career and technical student organization for high school students that gives them hands-on experience, sustains their interest in the profession, and helps them cultivate the skills they need to be successful educators. In the 2024-25 school year 480 students from 44 districts were members; its reach continues to grow annually. Local efforts have been critical to successes here.
- **Career and Technical Education:** During the 2023-24 School year, 947 secondary students focused on courses in the Education and Training Career Cluster. Classes such as SD Educators for Tomorrow, Intro to Education and Training, and Human Development of School Age Children are exposing students to a variety of career options in education and giving them hands on skills to prepare them for a future career in the classroom.

| RECOMMENDATIONS OF THE BOARD

Following the review of pertinent data and robust discussion, the board arrived at the recommendations indicated below.

Recommendation 1: Leave unchanged the current metrics for minimum teacher salary and average teacher compensation, enacted during the 2024 legislative session. Those metrics appear to be creating positive changes for teacher pay in South Dakota and their effects should be allowed to continue at this time without revision.

Recommendation 2: Because of the continuing, though tapering, shortage of K-12 teachers and the impact that teachers leaving the profession before retirement have on it, encourage the Department of Education to expand professional development opportunities to productively address student behavior.

Recommendation 3: Request the Department of Education to collect one-time data on the amount of class/instructional time spent on extracurricular and athletics programs for both students and teachers.

Recommendation 4: As attracting and retaining great teachers to South Dakota schools involves both financial and school culture solutions, direct the South Dakota Department of Education to draft a brief white paper on best practices on the presence of smart phones in schools.

Recommendation 5: Direct the Department of Education to review research on the effect of student:teacher ratios on student achievement and teacher job satisfaction and bring forth any recommendations it feels might be beneficial.