

TEACHER COMPENSATION REVIEW BOARD

Report to Governor Noem and the South Dakota Legislature
Sept. 18, 2023

| 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.

| 2023 TEACHER COMPENSATION REVIEW BOARD

Board Members

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

- Senate-appointed members:
 - Senator Jim Bolin (R-Canton)
 - Senator Reynold Nesiba (D-Sioux Falls)
 - Senator David Wheeler (R-Huron)
- House of Representatives-appointed members:
 - Rep. Eric Emery (D-Rosebud)
 - Rep. Stephanie Sauder (R-Bryant)
 - Rep. Mike Stevens (R-Yankton)
- Governor-appointed members:
 - Dr. Joseph Graves, secretary of education
 - Dr. Becky Guffin, superintendent of schools, Aberdeen School District

The Department of Education staffed the board with assistance from Mike Siebersma of Marzano Research.

Board Meetings

The board’s first meeting was on July 17, 2023, in Pierre. In attendance were Representatives Eric Emery, Stephanie Sauder, and Mike Stevens; Senators Jim Bolin and Reynold Nesiba; Secretary of Education Joe Graves; and Dr. Becky Guffin.

At the July 17 meeting, Sen. Bolin was elected chair, and Rep. Sauder was elected vice chair. The board heard a presentation, titled “Core Data on Teacher Compensation and Teacher Workforce Dynamics in SD,” presented by Mike Siebersma of Marzano Research. The full presentation is available in Appendix A of this report.

The board's second meeting was held on Aug. 21, 2023, in Pierre. In attendance were Representatives Eric Emery, Stephanie Sauder, and Mike Stevens; Senators Jim Bolin, Reynold Nesiba, and David Wheeler; Secretary Joe Graves; and Dr. Becky Guffin.

At the Aug. 21 meeting, the board heard a presentation from Mike Siebersma of Marzano Research. This presentation revisited current efforts by the Department of Education to ease teacher shortages and addressed questions and topics from the July meeting. The full presentation can be found in Appendix B. The board adopted its first recommendation at this meeting.

At the Sept. 15 meeting, the board reviewed a draft of the 2023 report and discussed two additional recommendations. All three recommendations are shown on pages 10-11.

| 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; 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 2021-22 (the most recent year with final data), the Target Teacher Salary increased 8.45 percent, and the actual average teacher salary increased 7.69 percent. While the Legislature set the Target Teacher Salary at \$55,756.31 for school year 2022-23 (a nearly 15 percent increase from 2016-17), the average teacher salary in South Dakota for that year is *estimated* to be \$51,373, a 9.33 percent increase. In recent years, actual teacher salary levels have fallen below the targets.

FIGURE A: AVERAGE SD TEACHER SALARY HAS GROWN 7.7% BETWEEN SCHOOL YEARS 2016-17 AND 2021-22

Salary Increases Over Time

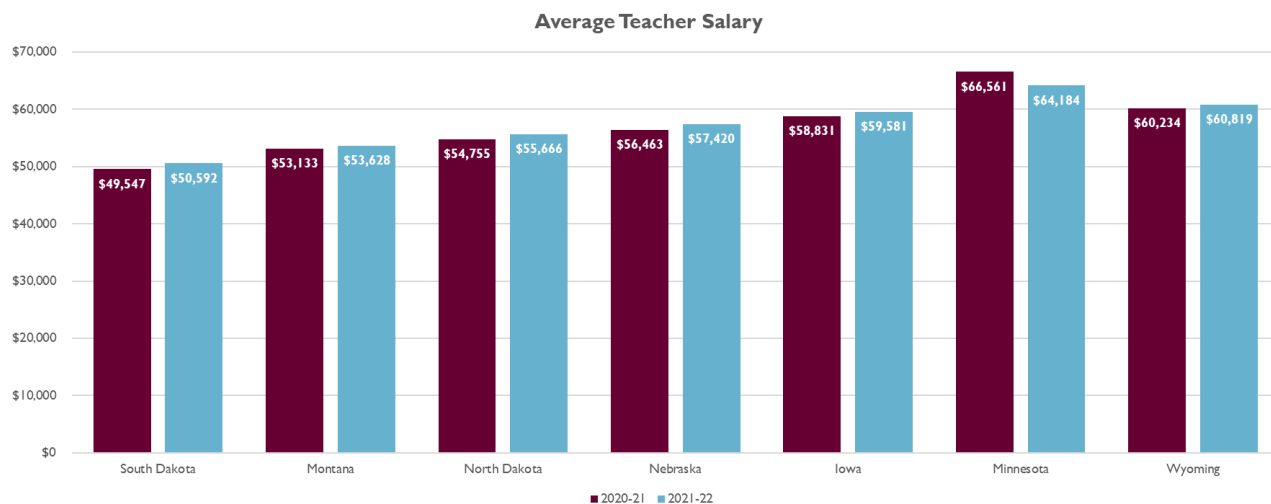
School Year	Target Teacher Salary		Average SD Teacher Salary (NEA)		NEA Ranking
	\$	% Change*	\$	% Change*	
2013-14	N/A	-	\$40,023	-	51
2014-15	N/A	-	\$40,935	-	51
2015-16	N/A	-	\$42,025	-	51
2016-17	\$48,500.00	-	\$46,979	-	48
2017-18	\$48,645.50	0.30%	\$47,631	1.39%	47
2018-19	\$49,131.96	1.30%	\$48,204	2.61%	48
2019-20	\$50,360.26	3.84%	\$48,984	4.27%	50
2020-21	\$51,367.47	5.91%	\$49,547	5.47%	49
2021-22	\$52,600.29	8.45%	\$50,592	7.69%	49
2022-23	\$55,756.31	14.96%	\$51,363 (estimated)	9.33%	
2023-24	\$59,659.25	23.01%			

Note(s): *% change is calculated from baseline year 2016-17

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 2021-22 (the most recent year with final data) shows that South Dakota continues to be last in the region at \$50,592. The state closest to South Dakota in salary is Montana, whose average teacher salary is \$3,036 more than South Dakota’s. Minnesota has the highest salary in the region, at \$64,184. South Dakota teacher salaries have been going up in the years since the task force was convened; however, other states are also increasing.

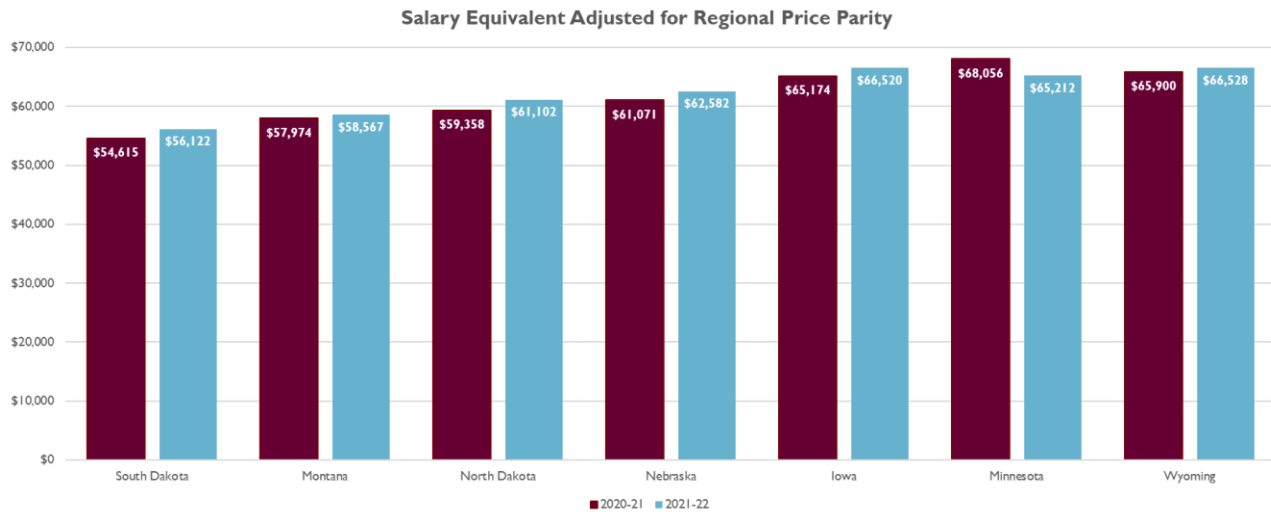
FIGURE B: DESPITE SALARY INCREASES IN SD, THE STATE CONTINUES TO LAG BEHIND OTHER STATES IN THE REGION



Source: National Education Association

When adjusted for regional price parity, South Dakota continues to lag in the region, although to a lesser degree. Price parity asks the question: What is the buying power of a teacher’s salary in South Dakota compared to other states?

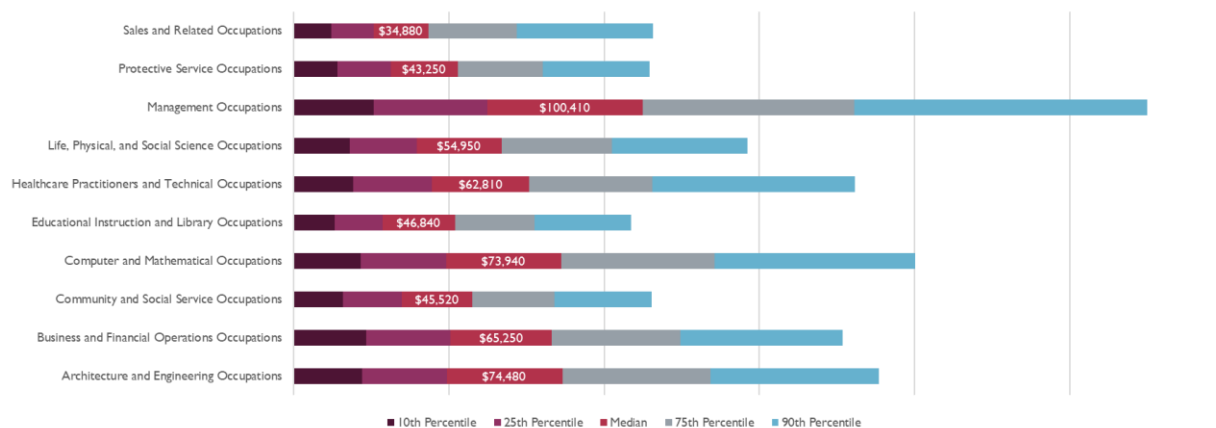
FIGURE C: SALARY DIFFERENCE IS SMALLER WHEN CONSIDERING PRICE PARITY, BUT SD STILL BEHIND SURROUNDING STATES



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 \$46,840. This is more than the median salaries of those working in Sales, Protective Service, and Community and Social Service occupations. It is less than the average median salary, however, which is \$60,223. 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

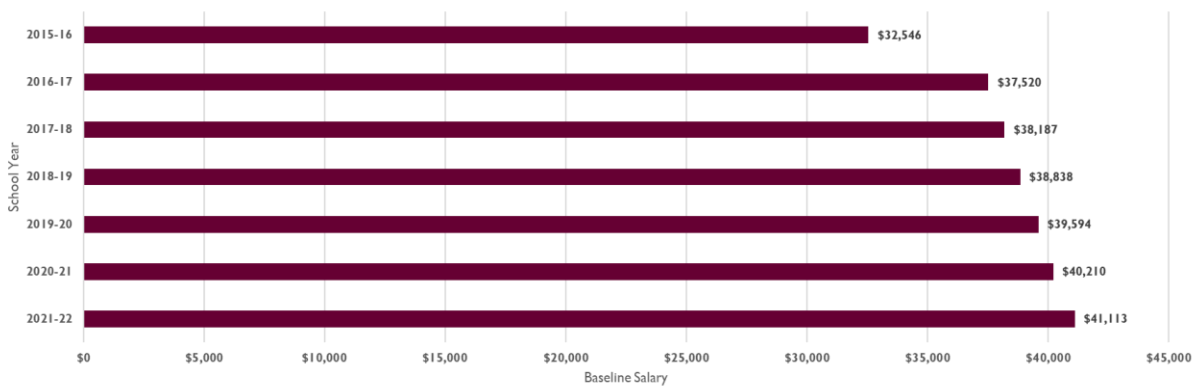


Source: Bureau of Labor Statistics

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. Several board members pointed to the challenges, in a pandemic and post-pandemic world, 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 2021-22, first-year teachers earned an average of \$41,113. This was a 9.5 percent increase, whereas the increase of the average teacher salary during that time was 7.7 percent (see Figure A).

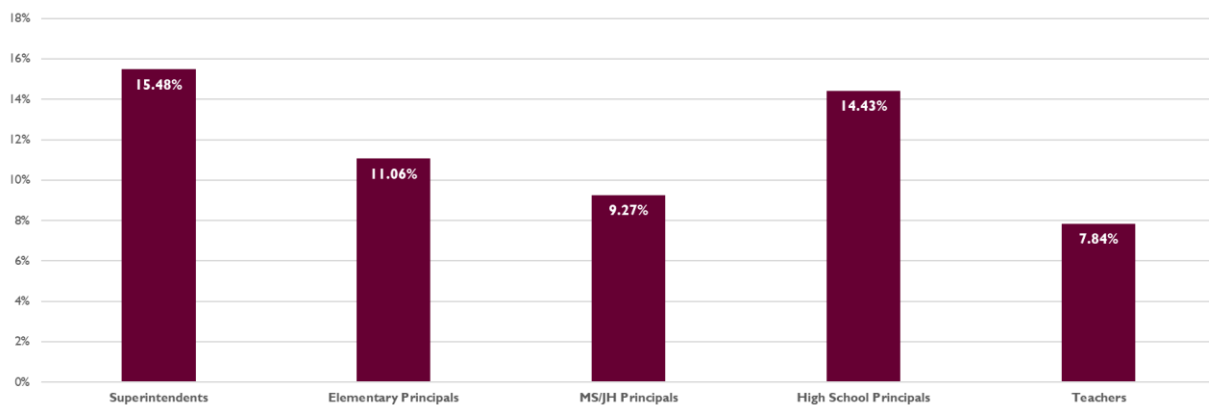
FIGURE E: BASE TEACHER SALARIES INCREASED ALMOST 2% MORE THAN AVERAGE TEACHER SALARIES BETWEEN 2016-17 AND 2021-22



Source: South Dakota Department of Education Personnel Record Form

In the same time period, the average superintendent salary rose 15.5 percent. Salaries for principals increased between 9.3 and 14.4 percent.

FIGURE F: ADMINISTRATOR SALARIES HAVE INCREASED MORE THAN TEACHER SALARIES BETWEEN 2016-17 AND 2021-22

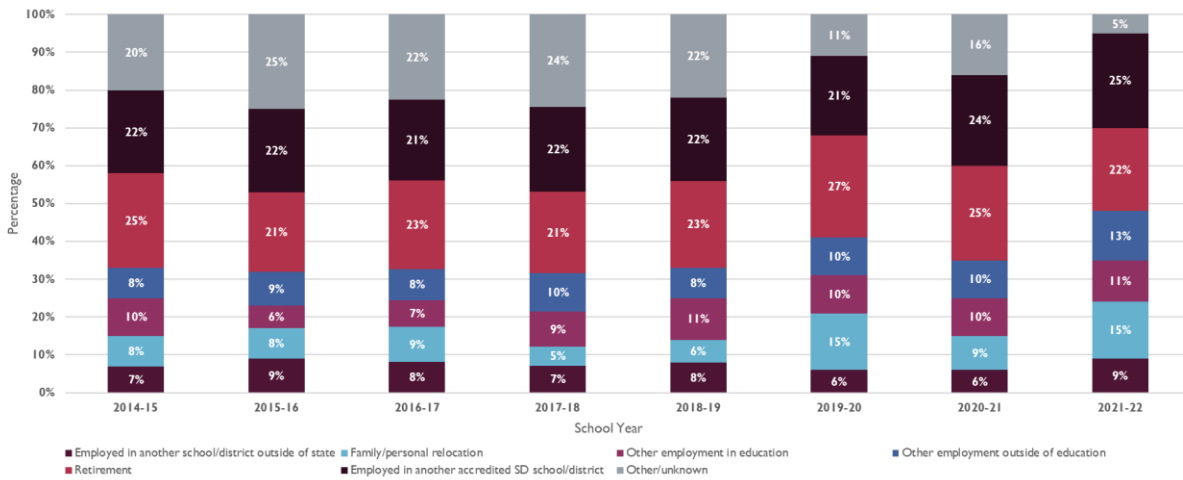


Source: South Dakota Department of Education Personnel Record Form

Teacher Workforce Considerations

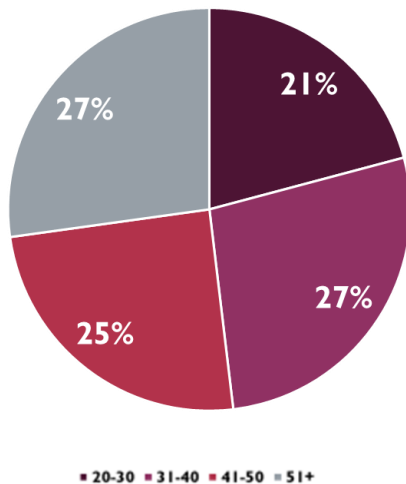
According to data from the Department of Education, most job openings in South Dakota’s education system are the result of a teacher either retiring or going on to teach in another district in South Dakota (Figure G). Teachers who reach retirement age tend to continue teaching beyond the year in which 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

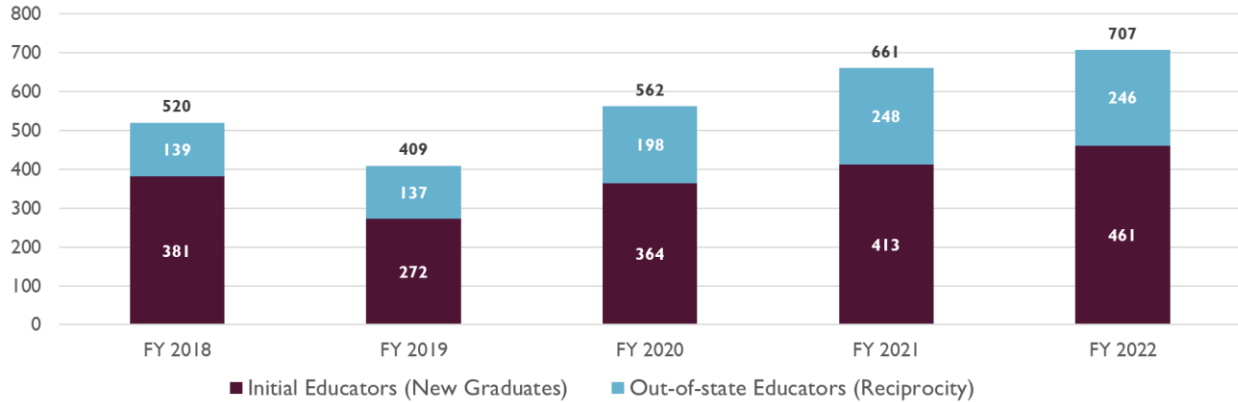
FIGURE H: AGE DISTRIBUTION OF TEACHER WORKFORCE IN SOUTH DAKOTA



Source: South Dakota Department of Education Personnel Record Form

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



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. Figure J below shows the consistent need for these two types of educators, as indicated by open positions advertised on the Associated School Boards of South Dakota’s Teacher Placement Center. Figure K shows the highest categories of positions advertised on the Teacher Placement Center.

FIGURE J: SPED AND ELEMENTARY JOB POSTINGS REFLECT CONSISTENT AND GROWING NEED

South Dakota Educator Job Postings

SPED and Elementary Positions Posted on the Teacher Placement Center

	2018	2019	2020	2021	2022	2023
April						
SPED/ Early Childhood	62	39	53	71	78	102
Elementary	61	37	52	69	89	118
August						
SPED/ Early Childhood	10	8	8	24	31	43
Elementary	7	5	4	17	24	49

Source: Associated School Boards of South Dakota

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

South Dakota Educator Job Postings

Highest Categories of Positions Posted on the Teacher Placement Center

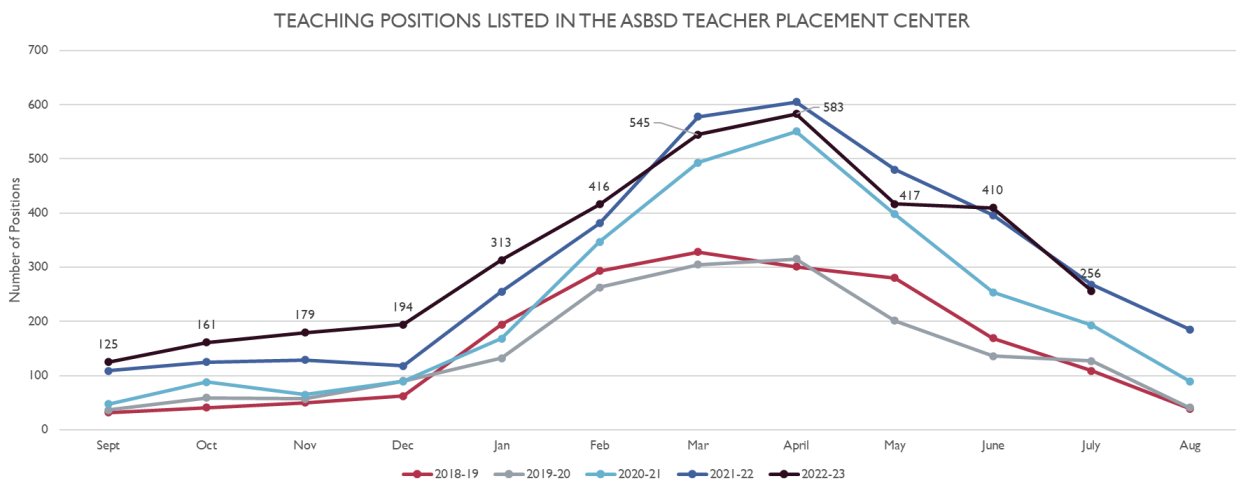
	2018	2019	2020	2021	2022	2023					
April											
SPED/Early Childhood	62	SPED/Early Childhood	39	SPED/Early Childhood	53	SPED/Early Childhood	71	Elementary Teachers	89	Elementary Teachers	118
Elementary Teachers	61	Elementary Teachers	37	Elementary Teachers	52	Elementary Teachers	69	SPED/Early Childhood	78	SPED/Early Childhood	102
Math	27	Art/Music/Health/PE	26	CTE	35	Math Teachers	52	Art/Music/Health/PE	65	Art/Music/Health/PE	53
Administrators	26	English/Language Arts	24	Art/Music/Health/PE	28	English/Language Arts	52	English/Language Arts	43	Administration & CTE	33
August											
SPED/Early Childhood	10	SPED/Early Childhood	8	SPED/Early Childhood	8	SPED/Early Childhood	24	SPED/Early Childhood	31	Elementary Teachers	49
Elementary Teachers	7	Elementary Teachers	5	Elementary Teachers	4	Elementary Teachers	17	Elementary Teachers	24	SPED/Early Childhood	43
English/Language Arts	5	Art/Music/Health/PE	5	Math Teachers	4	Arts	8	CTE	16	Art/Music/Health/PE	26
Administrators	4	Technology Education	4	Speech Pathologist	4	CTE	7	English/Language Arts	12	English/Language Arts	18

Source: Associated School Boards of South Dakota

Since the COVID disruption, the number of teacher openings has risen sharply during the spring and summer months, according to data from the Associated School Board’s Teacher Placement Center. In 2019, there were a little over 100 unfilled positions at the end of July. In 2023, the Teacher Placement Center showed 256 unfilled positions at the end of July.

NOTE: Data just in from Associated School Boards shows the number of open positions at the end of August 2023 is 124, down from 256 at the end of July. August 2023 is not reflected on the chart below.

FIGURE L: UNFILLED TEACHING POSITIONS HAVE BEEN ON THE RISE



Source: Associated School Boards of South Dakota

| 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 Pilot:** This pilot program is a “grow your own” model. The Department of Education is working with Northern State University, Dakota State University, and the Department of Labor to help paraprofessionals already working in South Dakota school districts obtain their teaching certificates. The program currently has 91 apprentices taking part in a two-year program to combine their experience in schools with an education from NSU or DSU. Candidates who successfully complete the program will be eligible to be full-fledged teachers in South Dakota in just two years.
- **Education Employment System:** TeachinSD.com is a website that teachers, and others who seek work in a school setting, can access to find open positions in South Dakota schools. The site is provided free of charge for schools (employers) and job seekers.
- **Recruitment and Retention Marketing Campaign:** This multi-faceted campaign is aimed at attracting new people – both young people and 2nd career individuals – to the teaching profession. It reaches both in- and out-of-state with positive messages about the rewards of a career in teaching, as well as the benefits of living in South Dakota.
- **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.
- **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.

| RECOMMENDATIONS OF THE BOARD

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

1. **Direct the South Dakota Department of Education to craft an updated teacher salary/compensation accountability model which enhances average teacher salaries at the district and state levels.**

This recommendation had unanimous support of board members.

When the Blue Ribbon legislation passed in 2016, it contained several mechanisms designed to hold schools accountable for ensuring that the influx of new funding went directly to teacher salaries, as was intended by the Legislature. These accountabilities may no longer be having the impact they once did. In particular, the accountability outlined in 13-13-73.6 penalizes a district if its average teacher

compensation is less than it was in fiscal year 2017. Board members agreed it was time to revisit this benchmark.

2. Recommend that the legislative and executive branches carefully monitor the ongoing impact of inflation when setting the state education finance formula increases in the future.

This recommendation had unanimous support of board members.

The board's discussion leading up to the recommendation had to do with inflation and how it impacts a school district's buying power. Board members wanted policy makers to recognize inflation as an important factor when considering future increases in the state aid funding formula.

3. Add the Department of Education's Government Operations and Audit Committee performance indicators as an appendix to this report.

This recommendation passed with five members voting for it and three members voting against it.

Discussion around this recommendation had to do with outcomes and understanding how investment of state funds may/may not have a direct impact on things like student achievement, attendance, and graduation rates.