

## **Research Brief**

# **Administrators' Views of Teacher Salary Changes Under the Arkansas LEARNS Act**

Gema Zamarro<sup>+</sup>, Andrew Camp, Josh McGee, and Miranda Vernon

Last Revised 05-13-2024

EDRE Research Brief 2024-01

<sup>†</sup>Corresponding Author: Gema Zamarro, Department of Education Reform, University of Arkansas, Fayetteville, AR 72701. gzamarro@uark.edu

#### **SUMMARY**

- We surveyed superintendents and principals statewide to understand their perspectives on the salary changes they implemented in response to the LEARNS Act and their future plans related to teacher compensation.
- Administrators reported that the teacher compensation changes required by the LEARNS Act are likely to help them better recruit and retain teachers.
- The primary goals administrators reported they have when designing teacher compensation include: being competitive with nearby districts, retaining existing teachers, and rewarding effective teachers.
- Administrators anticipate offering across-the-board pay increases but also appear open to implementing bonuses for effective teachers in their district.
- Most administrators, 69% of principals and 67% of superintendents, report that their district will likely continue to use traditional salary schedules over the next three years, but a sizable proportion (22% of superintendents and 13% of principals) report that this is very unlikely. This may indicate that a relatively large number of districts in Arkansas are considering alternative teacher compensation plans.
- The primary barriers that district leaders identified to making substantial changes to teacher compensation were related to funding uncertainty. State leaders and policymakers should address this uncertainty and provide compensation design support if they want to promote new and more creative teacher compensation approaches.

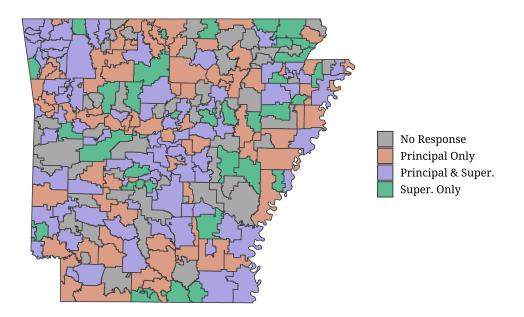
### **MOTIVATION**

Attracting and retaining high-quality teachers is very important to Arkansas students' success. With this aim, the LEARNS Act increased the state's minimum teacher salary from \$36,000 to \$50,000, guaranteed all teachers a minimum raise of \$2,000, removed the minimum teacher salary schedule, and relaxed other salary schedule requirements in state law. The state allocated new funding to cover the cost of the required salary increases. The law also provides districts with additional flexibility to either continue to reward educators primarily based on experience and education or to implement more creative approaches to teacher compensation.

<u>Our prior work</u> (Zamarro et al., 2023) documented how districts made the necessary adjustments to their salary schedules to satisfy the new legislation during the first year of implementation. The changes resulted in more equally distributed starting teacher salaries, with minimal variation across districts. However, 55% of districts' salary schedules became flat paying the minimum of \$50,000 regardless of teachers' years of experience, effectiveness, etc. As a result, meaningful cross-district pay differences still exist for more experienced teachers, as it remains advantageous to work in more urban districts that continue to offer higher salaries to their experienced teachers.

To better understand administrators' views on these salary changes and their plans for the future, we developed and administered a 5-minutes survey to all superintendents and principals in Arkansas public schools. The survey was launched on April 16<sup>th</sup>, 2024, and this report represents responses received up to May 15<sup>th</sup>, 2024. We sent weekly reminders to complete the survey during this period. In total, we successfully contacted 1,186 administrators and obtained survey responses from 454 of them (129 superintendents and 325 principals) representing a 38% overall response rate. As shown in Figure 1 below, these responses were obtained for school districts across the state. This research brief documents what we learned from these responses.

Figure 1. Distribution of Responses Across the State, by Administrative Role.



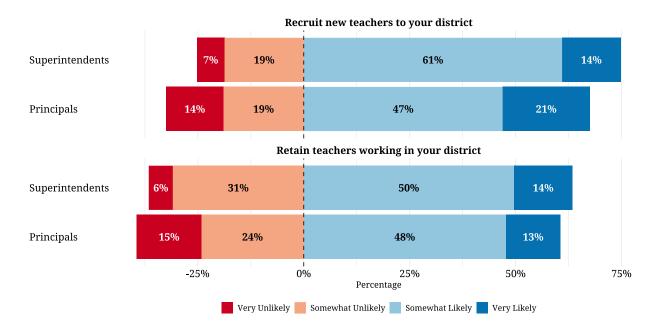
#### RESULTS

#### Do administrators think LEARNS salary changes will help recruit and retain teachers?

We ask administrators how likely they believe it is that changes in teacher compensation brought on by the LEARNS Act will help their district recruit new teachers and retain existing teachers in their district. Figure 2 shows these responses separately for principals and superintendents. Overall, we find that most principals and superintendents believe that the salary changes made in response to the LEARNS Act will help them both recruit and retain teachers.

Seventy-five percent of superintendents and 68% of principals reported that it is somewhat likely or very likely that these changes will help recruit new teachers to the district. Although administrators are slightly less positive about the benefits of LEARNS Act salary changes in retaining current teachers, most still view these changes favorably. When asked about retention, 64% of superintendents and 61% of principals declared it is very likely or somewhat likely that the changes will help them retain current teachers in their district.

Figure 2. Administrators' responses to the question - How likely do you think it is that the teachers' salary changes you made in response to the LEARNS Act will help you?



#### What are administrators' top goals for teacher compensation in their district?

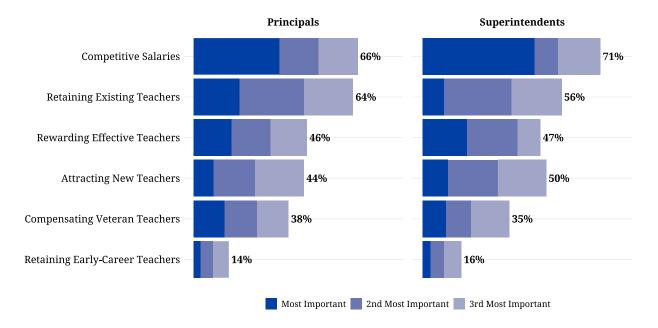
The LEARNS Act created substantial flexibility for school districts in Arkansas to develop teacher compensation policies to meet their needs and overcome the unique challenges that they face. To better understand how administrators are thinking about designing these policies, we asked them to rank their top three goals for teacher compensation. Figure 3 summarizes the results.

Administrators report that ensuring salaries are competitive with nearby districts is their top goal. Ninety-two out of 129 superintendents (71%) and 214 out of 325 principals (66%) consider salary competitiveness a top goal for teacher compensation policies, with 45% of superintendents and 34% of principals selecting it as the most important goal.

Administrators identified retaining existing teachers as the second most important goal for compensation policies, with more than half of superintendents and 64% of principals including this goal in their top three.

Rewarding effective teachers, recruiting new teachers, and rewarding veteran teachers are the next most selected top three goals. Specifically, 46% of principals and 47% of superintendents identify rewarding effective teachers as one of their top three goals, 44% of principals and 50% of superintendents do so for recruiting new teachers, and 38% of principals and 35% of superintendents identify rewarding veteran teachers as one of their top three goals.

Figure 3. Administrators' responses to the question - When thinking about teacher compensation in your district, rank your top three goals in order of importance.



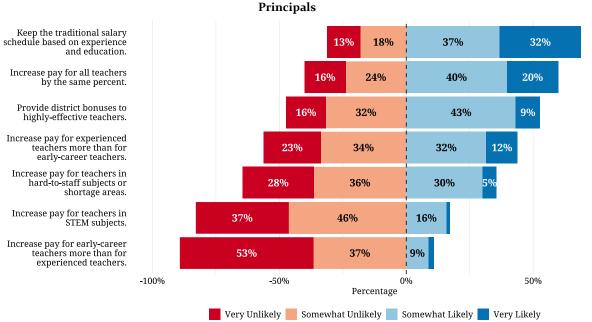
#### What changes to teacher compensation do administrators think are likely?

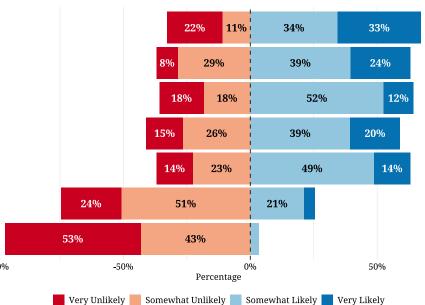
For the 2023-24 school year many districts focused on compliance with the new LEARNS Act. However, over the next few years districts may begin taking advantage of the increased flexibility they now have to innovate around teacher compensation. We asked administrators how likely they thought it was that their district would make several changes over the next one to three years.

Figure 4 presents principals' and superintendents' responses to these questions. Most administrators (69% of principals and 67% of superintendents) report that it is very likely or somewhat likely that they will keep a traditional salary schedule based on experience and education. However, over one-fifth of superintendents and 13% of principals see retaining these salary schedules as very unlikely. This may indicate that some districts are considering more creative forms of teacher compensation.

Interestingly, 60% of principals and 63% of superintendents declare it is somewhat likely or very likely that they will increase pay to all teachers by the same percent within the next three years, while only 44% and 59% of principals and superintendents report that it is somewhat or very likely that experienced teachers will receive a larger raise than early-career teachers over the same time period. Because more experienced teachers typically earn more to begin with, offering a flat percentage increase to all teachers often results in providing experienced teachers larger raises than early-career teachers.

Figure 4. Administrators' responses to the question - In the next 1-3 years, how likely are you to do the following with teacher pay in your district:





#### **Superintendents**

Increase pay for all teachers

Provide district bonuses to

teachers more than for early-career teachers.

Increase pay for teachers in hard-to-staff subjects or shortage areas.

Increase pay for teachers in

Increase pay for early-career teachers more than for experienced teachers.

Keep the traditional salary schedule based on experience and education.

Increase pay for all teachers by the same percent.

Provide district bonuses to highly-effective teachers.

Increase pay for experienced teachers more than for early-career teachers.

Increase pay for teachers in hard-to-staff subjects or shortage areas.

Increase pay for teachers in STEM subjects.

Increase pay for early-career teachers more than for experienced teachers.

-100%

The LEARNS Act created the Merit Teacher Incentive Fund which provides state-funded bonuses of up to \$10,000 for teachers who are effective at promoting student growth, who serve as mentors for other teachers, or teachers in a geographical or subject shortage area. Following the state's lead, administrators appear interested in developing similar district-funded programs. Over half of principals (52%) and 64% of superintendents said that is somewhat likely or very likely that they will provide district bonuses to highly effective teachers in the next three years.

One area where superintendents and principals appear to differ is in how likely they think it is that their district will adopt differentiated pay for teachers in hard-to-staff subjects or shortage areas. Sixty-three percent of superintendents report that increasing pay for these teachers is somewhat likely or very likely compared to only 35% of principals. Principals seem to view this change as especially unlikely with 28% of principals reporting that such a change is "very unlikely" as compared to 14% of superintendents. Future research should investigate the sources of this disconnect.

Finally, both superintendents and principals report that increasing pay specifically for teachers in STEM subjects or for early career teachers is relatively unlikely with fewer than a quarter of either group of administrators indicating that it is somewhat or very likely that these groups of teachers will receive targeted raises.

#### What might prevent administrators from making changes to teacher compensation?

To gain insights into the barriers administrators perceive to making substantial changes to teacher compensation policies, we asked them to rank the top three reasons they might not make changes. Figure 5 summarizes their responses to this question.

Among all the provided reasons, uncertainty about ongoing state funding to support the LEARNS Act salary increases appears to be the largest hurdle that administrators report as limiting their district from making more substantial changes to teacher pay. Sixty-eight percent of principals and 84% of superintendents identify it as one of their top three reasons, with 70% of superintendents and 53% of principals identifying it as the most important single reason. Similarly, 62% of principals and 81% of superintendents identify general funding uncertainty as one of the top three reasons they are not making more substantial changes.

Not knowing what changes are likely to yield positive results and not knowing how to best rebudget to make the changes they want also appear to be important limitations to making substantial changes to teacher compensation. Thirty-six percent and 33% of principals identify these two reasons in the top three, while 37% and 29% of superintendents do so, respectively.

Interestingly, only 16% of principals and 14% of superintendents declare that their current approach to teacher pay works well, and only 8% of principals and 21% of superintendents see teacher buy-in as a limitation. Together, these responses may indicate that administrators are open to alternative teacher compensation policies and believe that teachers may be open to

them as well, but that a lack of certainty surrounding funding and knowledge regarding how to restructure teacher compensation may be key barriers.

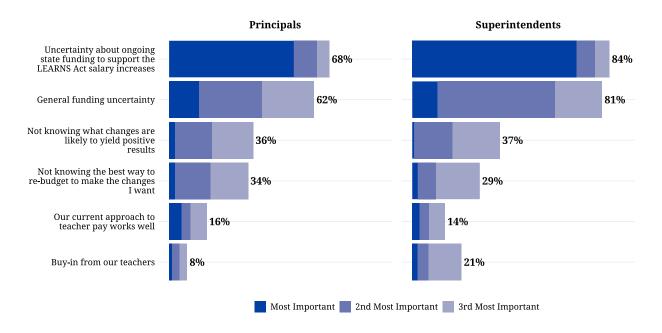


Figure 5. Administrators' responses to the question - Rank the top three reasons your district **might not make** substantial changes in teacher pay.

#### Administrators' open-ended responses provide additional context.

Our survey also included a final open-ended question where administrators could share additional thoughts, opportunities, or concerns related to teacher pay. Overall, the comments provided for this final question corroborated the results from the survey questions presented above.

Among principals, most of the comments related to veteran teachers' pay and concerns around budget uncertainty and competitiveness. For example, on veteran teachers pay, a principal said:

"We adjusted our pay scale as required by the LEARNS Act to a starting salary of \$50,000 for this current year. This caused us to severely change the step increments for experienced teachers with 9 or more years of experience... We are very concerned with retaining experienced teachers..., which will cause our faculty to be inexperienced moving forward. That is true of a large number of districts around the state..." – Principal.

Although most comments left by superintendents related to budget uncertainty, increasing pay for veteran teachers was also a concern in superintendents' comments. For example, this is what one superintendent said concerning veteran teachers' pay:

"Increase in teacher pay was, in theory, a wonderful idea. However, there were some unintended consequences in that struggling, rural districts didn't have the funding source to address experience and education. Veteran teachers also were disgruntled as they did not feel that experience had any weight. Novice teachers entered the profession at nearly an equal wage. This funding structure has caused dissension in the ranks." – Superintendent.

Both principals and superintendents raised concerns related to budget uncertainty moving forward, especially superintendents. As two superintendents put it:

"Until there's a consistent funding flow for the new salaries, I am refraining from making any commitments on the salary schedule." – Superintendent.

"We need to know after this school year if we are still going to get additional funding to cover the increase in salaries." – Superintendent.

Principals also left comments along these lines, like the following:

"This is particularly hard for small rural districts, which make up the vast geographic area of Arkansas. We do not have large tax bases, population density, or economic development to make these changes easily. We work on shoestring budgets in which every dollar must be considered. Drastic changes and bonuses are just simply difficult to fund without state support." – Principal.

Finally, maintaining competitiveness with surrounding districts was also a concern represented in comments of both principals and superintendents like the following:

"I think that it made it easier for smaller schools to attract some teachers leveling the playing field as far as salary goes a bit. We are still unable to provide the steps and incentives that most of the larger schools offer though." – Principal.

"I think bringing teacher pay up to a floor of 50,000 is great for education in Arkansas. I think it was a major help in recruitment of teachers for smaller districts throughout the state. This increase also took away an advantage districts like ours had in that we were already paying more than most districts in the state which gave us a major advantage in teacher recruitment. We have not noticed a trend of teachers having a willingness to leave our larger district to teach in smaller districts with equal pay." – Principal.

"The pay raises were welcome, but the small districts still have a disadvantage and cannot keep pace with the raises of the larger districts." – Superintendent.

#### DISCUSSION

As we wrap up the first school year under the Arkansas LEARNS Act, we asked administrators across the state about their perspectives on the adjustments they made and their future plans related to teacher pay. Most superintendents and principals expressed confidence that the changes made to teacher salaries this past year will enhance their ability to attract and retain teachers.

While most administrators indicate it is likely that their district will maintain a traditional salary schedule based on experience and education, a notable proportion – 22% of superintendents and 13% of principals – view this as highly unlikely, hinting at potential deviations from traditional schedules in the future. Administrators also anticipate across-the-board pay increases, which favor experienced teachers, and bonuses for highly effective teachers within the next one to three years.

Uncertainty regarding ongoing state funding to support the LEARNS Act salary increases, as well as general funding uncertainty, emerge as significant obstacles that administrators perceive to implementing more substantial changes to teacher compensation. Similarly, not knowing which changes would yield positive results or how to best re-budget to facilitate desired adjustments may also be constraining administrators.

Diverging from traditional salary schedules could help districts recruit and retain high-quality teachers by enabling schools to be more innovative and responsive to their specific staffing needs and surrounding labor market conditions. When schools in Wisconsin were given the autonomy to redesign teacher compensation, districts that transitioned from seniority-based salary schedules to pay-for-performance models attracted higher-quality teachers and achieved better student outcomes (Biasi, 2021). More generally, evidence suggests that implementing teacher-pay incentives to attract new teachers or reward highly effective teachers may be a fruitful approach, especially for schools serving a higher proportion of students from disadvantaged backgrounds or living in poverty (Pham et al., 2021).

We encourage state efforts to reduce funding uncertainties and offer support and guidance to school districts regarding potential teacher pay adjustments. Efforts to reassure districts that the state intends to continue allocating the additional resources needed to fund the salary increases required by the LEARNS Act may alleviate administrators' concerns and could facilitate school districts making desirable changes to their salary schedules to better recruit and retain high-quality teachers.

#### REFERENCES

- Biasi, B. (2021). The Labor Market for Teachers under Different Pay Schemes. American Economic Journal: Economic Policy, 13(3), 63–102. https://doi.org/10.1257/pol.20200295
- Pham, L. D., Nguyen, T. D., & Springer, M. G. (2021). Teacher Merit Pay: A Meta-Analysis. American Educational Research Journal, 58(3), 527–566.
- Zamarro, G., Camp, A., McGee J, Wilson, T., & Vernon, M. (2023). Changes in Teacher Salaries Under the Arkansas LEARNS Act. (EDRE Research Brief: 23-02). Retrieved from The Department of Education Reform (EDRE) Research Products at the University of Arkansas: <u>https://edre.uark.edu/\_resources/pdf/changes-in-teacher-salaries-under-thearkansas-learns-act-research-brief\_nov2\_final\_rb2023-02.pdf</u>