Enhanced TIA Readiness Guide: Building a Strategic Compensation System

About the Readiness Guide

The Enhanced Teacher Incentive Allotment (TIA) builds on a school system's existing Teacher Incentive Allotment system. With TIA as its foundation, Enhanced TIA aligns funding, teacher and principal effectiveness systems, and compensation structures to reward performance through a locally developed, high-leverage system that ensures resources are used equitably and purposefully. It emphasizes merit-based pay and widespread teacher inclusion, and it incentivizes high-performing educators and administrators to serve campuses and students with the greatest needs.

For most school systems, developing a high-quality strategic compensation system is an innovative, multi-year process. This guide outlines the work involved, from discovery through preparation for application.

Step 1: Learn about Enhanced TIA and strategic compensation

Effective school systems leverage human resource systems to enhance student experiences and meet student needs. **Strategic compensation** is a performance-based human resource management **strategy** that involves designing and implementing a compensation plan that is strategically aligned with district objectives and culture

Enhanced TIA is a **designation** a school system can apply for and earn after establishing a strategic compensation system in which salary schedules are determined based on performance. Once obtained, this designation allows school systems to earn an additional 10% of their TIA funds to support this new system.

Requirements for Enhanced TIA:

For teachers, school systems must implement a strategic compensation plan that does the following:

- Includes substantially all teachers eligible for designation in a TEA-approved local teacher designation system for TIA.
- Replaces the step-and-ladder pay scale with a compensation plan based on performance and moves away from across-the-board pay raises.
- Implements a targeted distribution model and other appropriate quality control systems.
- Adopts an approach to teacher assignment based on student needs that includes strategic scheduling for early grades and high-need campuses and students.

For principals and assistant principals, school systems must implement a strategic compensation plan that does the following:

- Develops a refined principal evaluation system consistent with the TIA approach.
- Replaces the step-and-ladder pay scale with a compensation plan based on performance and moves away from across-the-board pay raises.

Step 2: Use this guide to assess the school system's readiness to begin its Enhanced TIA journey

A school system is ready to assess local readiness to apply for Enhanced TIA once stakeholders have built a shared understanding of the program and its requirements. This readiness resource provides detailed guidance for developing a strategic compensation system organized by *Success Factors*. The tool is designed to support school systems in self-assessing readiness using local data associated with key program requirements and to support the school system in determining next steps.

Step 3: Build the strategic compensation system and apply for Enhanced TIA

Before applying for Enhanced TIA, school systems may choose to document their strategic compensation system in a school system-created strategic compensation handbook. Developing a handbook is considered best practice but is not required.

Success Factor 1: Rationale

Establishing a clear rationale for pursuing Enhanced TIA that connects strategic compensation to the school system's priorities, its definition of educator effectiveness, and the outcomes it wants to achieve is an important first step. The school system should also have the leadership capacity and foundational conditions needed to support this work.

Key Practices	Success Criteria	Readiness & Next Steps
A. Rationale & Alignment	The school system: • Has prepared a concise narrative explaining why it is adopting a strategic compensation system and pursuing an Enhanced TIA designation, including how this work aligns with the school system's priorities and annual improvement plan. • Has identified the educator and student outcomes the strategic compensation system is intended to support. • Has a vision for how strategic compensation and Enhanced TIA will improve educator performance and student outcomes, as well as enable an equitable distribution of effective teachers and administrators across campuses, including high-needs campuses. • Can clearly explain how strategic compensation and Enhanced TIA align with the school system's core values and belief statements.	

B. Leadership Capacity	The school system: • Has secured the superintendent's support for pursuing a strategic compensation system and Enhanced TIA designation. • Has identified a senior leader (e.g., cabinet member, TIA lead) with the appropriate level of influence to serve as the strategic compensation lead and support the development and implementation of the school system's strategic compensation system. • Has established clear leadership ownership for guiding strategic compensation decisions and coordinating the work across relevant departments.	
C. Alignment to Goals of Enhanced TIA	Key leaders in the school system: • Have a shared understanding that Enhanced TIA requires performance to be incorporated into the salary schedule, not solely through supplemental stipends or bonuses. • Have established a clear definition of educator effectiveness that can inform compensation decisions. • Understand that Enhanced TIA builds on the school system's existing TIA local designation system and educator-effectiveness measures. • Are prepared to align effectiveness measures, compensation structures, and school-system priorities as part of a coherent strategic compensation system.	

Success Factor 2: Teacher Incentive Allotment (TIA)

A critical first step to developing a strategic compensation system includes participation in the Teacher Incentive Allotment. *NOTE: If the school system is not currently participating in TIA, please refer to the TIA Readiness Guide located on the TIA website.*

Key Practices	Success Criteria	Readiness & Next Steps
A. TIA Participation	The school system: • Is currently participating in TIA. • Has a TIA lead who will serve on the strategic compensation design team.	
B. TIA Expansion	The school system: • Has a multi-year plan for expanding TIA eligibility to additional teaching assignments to support the inclusion of substantially all teachers. • Includes substantially all teachers as eligible for designation in a TEA-approved local teacher designation system for TIA by the strategic compensation system's implementation year.	

C. TIA Spending Plan	The school system: • Includes innovative spending strategies and language in its spending plan to utilize TIA funds to support implementation of a strategic compensation system for teachers that aligns funding to district goals and student need.	

Success Factor 3: Systems Support

Participation in Enhanced TIA and strategic compensation involves planning and input from many facets of a school system's instructional and operational staff and/or departments, including advanced planning for successful data collection.

Key Practices	Success Criteria	Readiness & Next Steps
A. Central Office Systems Support	The school system: • Ensures that the following departments and/or personnel are aware of its participation in strategic compensation with the intention to apply for Enhanced TIA, and understand their respective roles, decision-making authority, and expected milestones, when appropriate: ○ **Superintendent** – Articulates the rationale for implementing a strategic compensation system in alignment with the school system's mission and strategic priorities; approves and reinforces the system's core theory of effectiveness ○ **Human Resources** – Selects, develops, and oversees systems for appraisal monitoring, tracking teacher designations in local business systems, implementing business rules, sharing scorecards, and communicating about system-related questions and concerns ○ **Budget/Payroll** – Oversees system finances, budget modeling, and system refinement to inform budgeting decisions and rules ○ **Technology Support** – Coordinates the school system's data systems and supports the calculation and production of scorecards ○ **Curriculum/Instruction/Assessment** – Determines appropriate assessments and provides student growth/performance data ○ **Communications** – Plans for proactive communication and coordinates with HR regarding the school system's recruitment strategy and stakeholder feedback ○ **Professional Development** – Plans for stakeholder awareness and differentiates professional development opportunities to support teacher growth ○ **Legal** – Ensures the strategic compensation system complies with federal, state, and local laws *Roles may vary based on school system context.	

B. School System Finance	The school system: • Has a Financial Integrity Rating System of Texas (FIRST) score of A - Superior Achievement. • Conducts a budget analysis to determine available funds for strategic compensation. • Develops a plan for the long-term financial sustainability of the system. • Reviews market analysis for surrounding school systems when setting salary bands. • Does not include across-the-board salary increases for classroom teachers except for periodic changes to the district's or school's salary schedule to adjust for significant inflation.	
C. Use of Data to Improve Systems	The school system: • Uses the data on highly effective teachers and principals to inform staffing plans and professional development. • Tracks data on staff recruitment and retention.	
D. Data Capture & Analysis	The school system: • Has personnel responsible for compiling student growth/performance data, appraisal data, and correlation data between the two. • Has identified the system(s) that will be used to capture and store data such as DMAC, Eduphoria, Appraisal Data Management System, etc. • Has an effective human resource system for ensuring effectiveness and pay are tracked with accuracy.	

Success Factor 4: Campus Administrator Effectiveness Indicators

Valid and reliable indicators, including a campus administrator observation system and strong calibration among appraisers, are required elements of a strategic compensation system used to identify campus administrators' levels of effectiveness.

Key Practices	Success Criteria	Readiness & Next Steps
A. Definition of Administrator Effectiveness	The school system: • Develops or refines documents that delineate the measurable characteristics used to define an effective principal (e.g., Principal Handbook, Leadership Framework, operational policy, job description, appraisal tool, etc.). • Develops or refines documents that delineate the measurable characteristics used to define an effective assistant principal (e.g., Assistant Principal Handbook, Leadership Framework, job description, appraisal tool, etc.).	

B. Principal and Assistant Principal Placement	The school system: • Ensures principal salary schedules are directly determined by differentiated performance levels. • Ensures assistant principal salary schedules are directly determined by differentiated performance levels. • Identifies funds for each performance level, including the criteria or tiers used to differentiate effectiveness.	
C. Principal and Assistant Principal Appraisal Rubric and Appraiser Certification	The school system: • Utilizes a state-approved or nationally recognized rubric for principal and assistant principal appraisals such as T-PESS, or a district-created rubric that is aligned to T-PESS. • Has a clear plan to train school leader appraisers on the rubrics every year. • Has a clear plan to re-certify school leader appraisers at least every three years. • Has a clear plan to recalibrate school leader appraisers to the rubrics and to each other annually. • Uses a principal appraisal system that complies with §21.354 or §21.3541.	
D. Reliability of Principal and Assistant Principal Appraisals	The school system: • Has planned or is developing a schedule for principal and assistant principal appraiser calibration activities across campuses (for school systems with more than one campus) throughout the year. • Has a plan for utilizing other trained observers to increase calibration, including using any or all of the following as calibration partners: school system personnel, neighboring school systems, Education Service Centers, technical assistance partners, etc. • (If multiple principal appraisers are used) Has clear procedures in place to ensure appraisers remain calibrated throughout the year and prevent skew in observation including utilizing other trained appraisers such as partnering with neighboring small school systems, Education Service Centers, or technical assistance partners.	
E. School System Review of Principal and Assistant Principal Appraisal Trends	The school system: • Has a clear plan to review principal and assistant principal appraisal trends in various ways including by appraiser, campus type (elementary, middle, high, specialty, campus rating, demographics, etc.), dimensions of T-PESS (or approved local rubric), and other ways. • Uses an observation data management system to store and analyze principal and assistant principal appraisal data.	

F. Principal and Assistant Principal Observation/ Feedback Schedule	The school system: • Establishes a schedule for the appraisal of principals and assistant principals with adherence to beginning, middle, and end of year checkpoints as a best practice. • Has developed requirements for number and type of observations used to appraise principals and assistant principals each year. o All principals must be appraised annually per §21.3541(g). o All assistant principals must be appraised annually per §21.354(c).	
G. Principal Effectiveness	The school system: • Has a clear definition of principal effectiveness. • Has determined the components and weights to measure the effectiveness of principals. • Considers principal input when finalizing the selection of the components and weights. • Establishes salary schedule placement guidance for newly hired assistant principals that includes performance as a consideration, consistent with best practice.	
H. Assistant Principal Effectiveness	The school system: • Has a clear definition of assistant principal effectiveness that takes into account the similarities and differences between the expectations of a principal and assistant principal in their system. • Has determined the components and weights to measure the effectiveness of assistant principals. • Considers assistant principal input in finalizing the selection of the components and weights. • Establishes salary schedule placement guidance for newly hired assistant principals that includes performance as a consideration, consistent with best practice.	
I. Quality of Effectiveness Indicators	The school system: • Plans to use the components as indicators to accurately measure the effectiveness of principals and assistant principals. • Uses observation and student growth data to assess the effectiveness of its principal and assistant principals. • Considers business rules to ensure fairness across campuses, grade levels, and student populations served.	
J. Congruence Considerations	The school system: • Has a clear plan to determine the root cause of any skew in administrator appraisal data by reviewing the correlation between principal/assistant principal appraisals and teacher growth. • Has developed a clear plan to address skew in administrator appraisal data once a root cause is determined.	

	• Has identified an internal or external calibration approach appropriate to the number of trained appraisers, including potential support from an Education Service Center, neighboring school system, or technical assistance provider.	

Success Factor 5: Teacher Effectiveness Indicators

Valid and reliable indicators, including teacher observation system and strong calibration among appraisers, are a required key element in developing a strategic compensation system to determine a school system's most effective teachers.

Key Practices	Success Criteria	Readiness & Next Steps
A. TIA Teacher Observation	The school system: • Has a TIA-compliant teacher observation component as outlined in the TIA Readiness Guide.	
B. Teacher Effectiveness (Includes Student Growth)	The school system: • Has determined the components and weights to measure the effectiveness of teachers in alignment with the school system's TIA local designation system. • Has a clear rationale explaining why each teacher component was selected. • Considered teacher input regarding important pieces of the strategic compensation plan.	
C. Teacher Salary Placement	The school system: • Has placement guidance for newly hired teachers, with performance as a consideration based on TIA eligibility or a preparation pathway. • Uses differentiated performance levels to determine teacher salary placement or progression within the strategic compensation structure.	
D. Quality of Effectiveness Indicators	The school system: • Plans to use the components as indicators to accurately measure the effectiveness of teachers. • Considers business rules to ensure fairness across campuses, grade levels, and student populations served.	
E. Congruence Considerations	The school system: • Has a clear plan to *determine* the root cause of any skew in teacher appraisal data by reviewing the correlation between teacher appraisals and student growth. • Develops a clear plan to *address* skew in teacher appraisal data once a root cause is determined.	

Success Factor 6: Stakeholder Engagement

School systems should actively involve stakeholders in the strategic compensation system planning process as it pursues Enhanced TIA designation. Stakeholder engagement is critical to the short and long-term success of the strategic compensation system.

Key Practices	Success Criteria	Readiness & Next Steps
A. Strategic Compensation Design Team	The school system: • Has identified Strategic Compensation Design Team members who include the superintendent, key cabinet members, chief financial officer, TIA lead, and strategic compensation lead. • Understands the expectations for regular engagement by the Design Team during the three-year process of development. • Utilizes the design team to engage additional stakeholders to ensure alignment and foster progress toward shared goals at appropriate points throughout the process.	
B. Stakeholder Engagement	The school system: • Gathers input on the preliminary system framework from key stakeholder groups, ensuring representation across grade levels, subject areas, and staff demographics through methods such as focus groups, surveys, or other locally determined engagement strategies. • Has identified the decisions for which stakeholder input is needed, the stakeholder groups that should be engaged, the appropriate level of participation, and when engagement should occur. • Utilizes the strategic compensation design team to review and consider stakeholder input throughout the development of the strategic compensation system. • Develops a clear communication plan that supports stakeholders in developing a clear understanding of the strategic compensation system.	
C. Development of Resources Accessible to Staff	The school system: • Develops and provides informational resources to stakeholders about the strategic compensation system. • Ensures campus administrators and teachers understand the key components and criteria of the local strategic compensation system by developing local scorecards. • Provides ongoing training materials to teachers, school leaders, and Central Office leaders related to implementation of the strategic compensation system.	

D. Regular Communication Updates	The school system: • Develops a clear plan to strategically communicate with teachers, campus leaders, central office leaders, and school board members. • Develops a plan detailing how it will share the final version of its strategic compensation system, including any revisions made throughout the duration of the strategic compensation system. • Has a plan to inform stakeholders of Enhanced TIA designation decision.	
E. Sustainability of Strategic Compensation	The school system: • Understands the expectations of regular ongoing engagements after concluding the system development process to provide for sustainability and continuous improvement of the strategic compensation system. • Plans for the ongoing monitoring, evaluation, and reporting of the system's impact. • Has a clear succession plan for preserving institutional knowledge when team members leave or change roles. The plan details how successors are identified and an onboarding process that includes system rationale, history, and key decisions, so knowledge is not lost with staff turnover.	

Success Factor 7: Strategic Staffing

To earn an Enhanced TIA designation, a school system must adopt an approach to teacher assignment based on student need that includes strategic scheduling for early grades and high-need campuses and students.

Key Practices	Success Criteria	Readiness & Next Steps
A. Staffing Analysis	The school system: • Uses multi-year staffing forecasts tied to enrollment, program growth, and student needs to budget and recruit proactively. • Utilizes short and long-term data to forecast campus and school system staffing needs and sets targets to drive and evaluate recruitment and hiring. • Assesses organizational structure and staffing patterns to design sustainable roles that support the envisioned student experience.	
B. School System Staffing Plan	The school system: • Evaluates and implements a staffing approach for campuses and classrooms that advances the achievement of all student groups.	

	• Uses collaborative models to extend teacher expertise across classrooms and support inclusion for students with diverse needs. • Includes strategic staffing in a coherent, multi-year strategic plan built on an analysis of the current state. • Aligns selection criteria and evaluation resources with roles and performance expectations. • Designs sustainable roles across the organization that have clear responsibilities and performance expectations aligned to the envisioned student experience and overall strategic priorities and plan.	
C. Master Scheduling	The school system: • Uses educator-effectiveness and student-need data to inform assignments, while ensuring that assignments reflect educators' roles, qualifications, and the full range of students they serve. • Works with campus staff to proactively design the master schedule to support students with special scheduling needs (e.g., students needing Tier 2, Tier 3, or special education services) by scheduling them first to maximize staffing allocations and ensure compliance with HB 1416. • Implements strategies to ensure the most effective educators are assigned to campuses and classrooms with higher student needs, including early grades K-2 in accordance with §28.0062(a)(3). • Has a compensation plan that outlines a salary schedule that rewards highly effective teachers, principals, and assistant principals who support high-need students and subjects.	

Appendix

The Journey from TIA to Enhanced TIA

