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Designing & Implementing a Sustainable, Mission-Driven Compensation System

Mission
& DATA

Mission-driven, Data-informed
Leadership and Governance

ACIS Leadership Conference
October 10, 2025



Cliff Kling, J.D.

Senior Executive Compensation and Leadership Strategist



Mission & DATA

Mission-driven, Data-informed Leadership and Governance

**Mission
Driven**

+

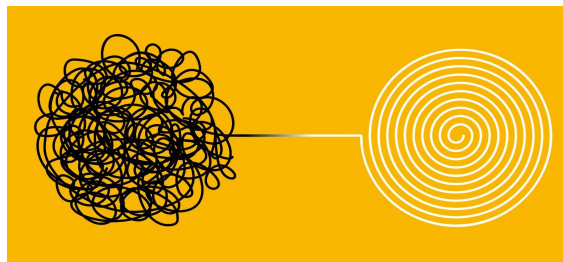
**Community
Centered**

+

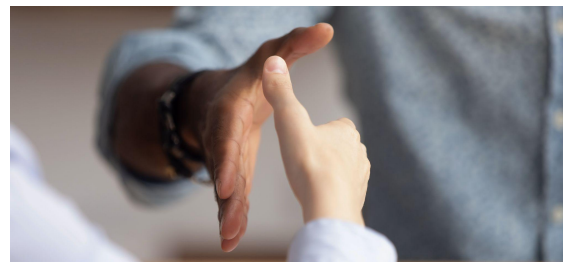
**Data
Informed**



DASHBOARDING, DATA ANALYSIS & DATA WAREHOUSING



DATA STRATEGY & INSTITUTIONAL RESEARCH



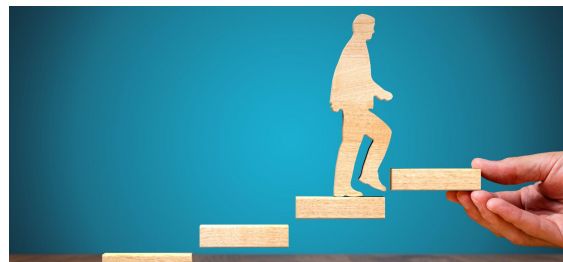
EXECUTIVE & ORGANIZATIONAL COMPENSATION



FINANCIAL & ORGANIZATIONAL SUSTAINABILITY



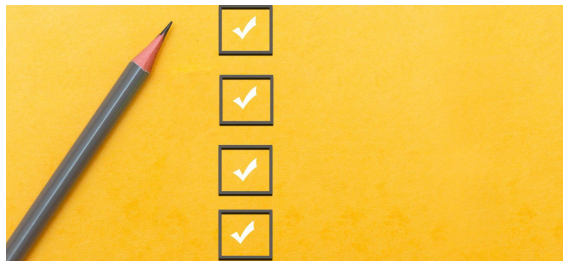
GOVERNANCE EDUCATION, AUDITS & ADVISING



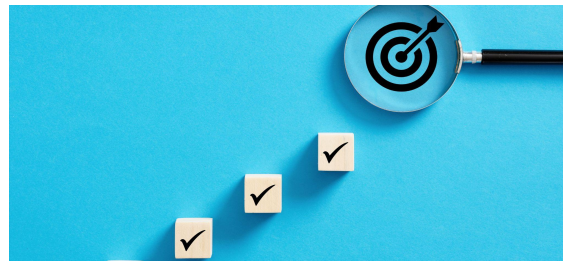
MISSION-DRIVEN, DATA-INFORMED COACHING



ORGANIZATIONAL EFFECTIVENESS & TRANSFORMATION



STAKEHOLDER SURVEYS & INTERVIEW STUDIES



STRATEGIC PLANNING & PROGRESS ACCOUNTABILITY

We are the trusted partner across our industry

246

Independent School
Clients

26

Membership
Associations

Strategic Data Partners



Other National/International Partnerships



10+ State & Regional Associations



Agenda

1

Teacher Supply and Demand

2

What is a Faculty & Staff Compensation System?

3

Designing and Implementing a New System

4

Questions



Who's in the room?

- Board Chairs
- Trustees
- Heads of School
- Others?

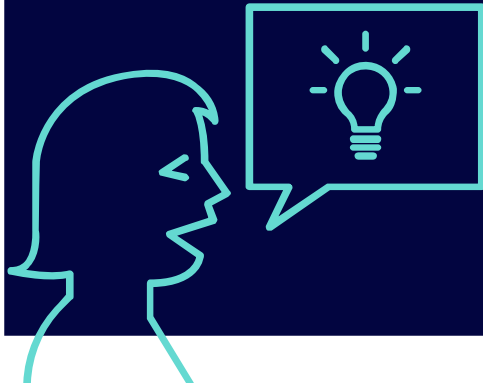
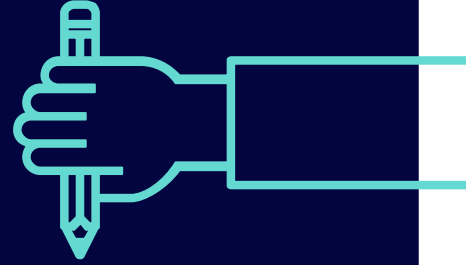


Please Raise
Questions at
Any Time!



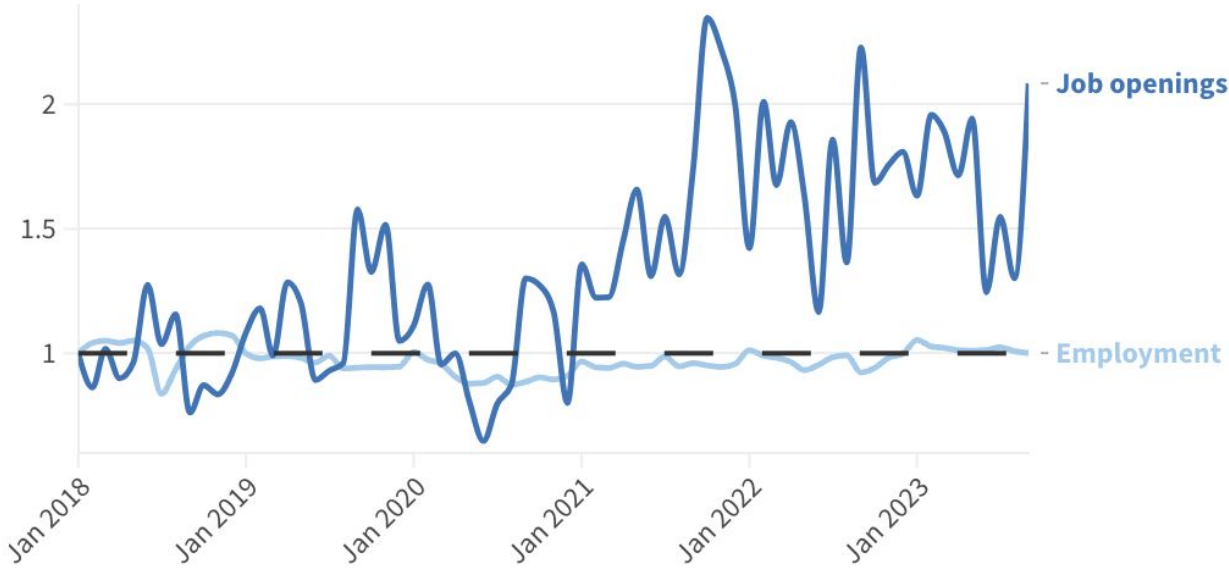
Diving In...

Teacher Supply and Demand



Demand for teachers outpaces supply

Index (Jan 2018 = 1)



Source: Job openings index for Education Services sector from Bureau of Labor Statistics Job Openings and Labor Turnover Survey. Employment index based on ADP data for public and private kindergarten through 12th-grade teachers. Not seasonally adjusted.

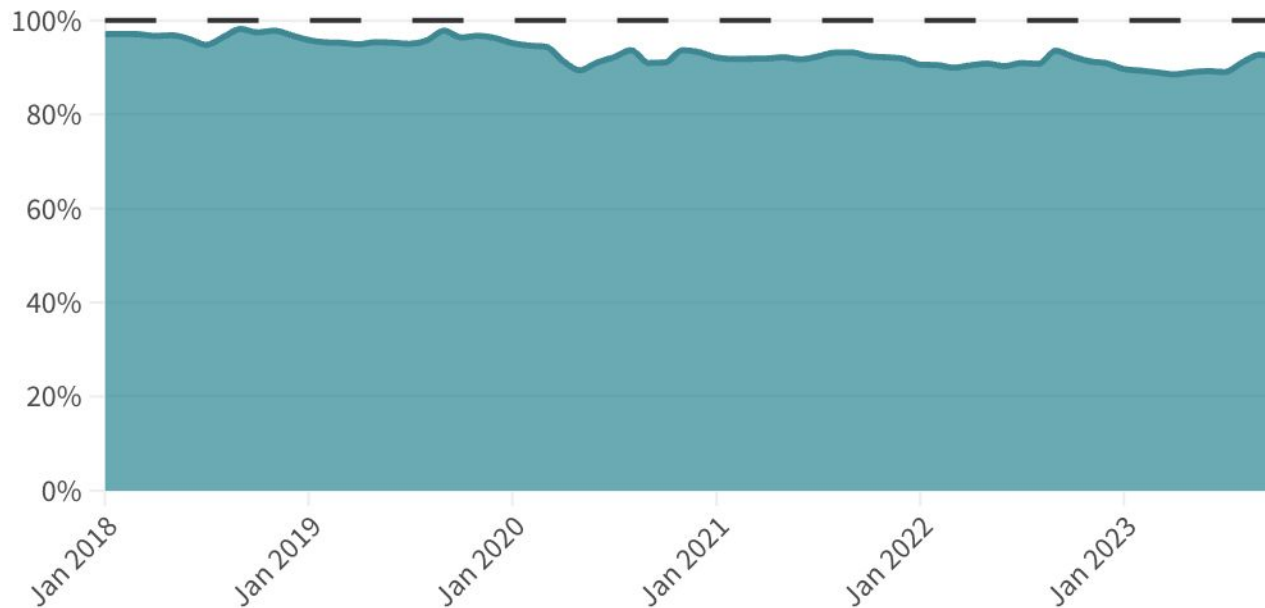
Source



Mission
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Teacher salaries become less competitive

Competitive Salary Index (teachers vs. all employees)



Source: ADP data.

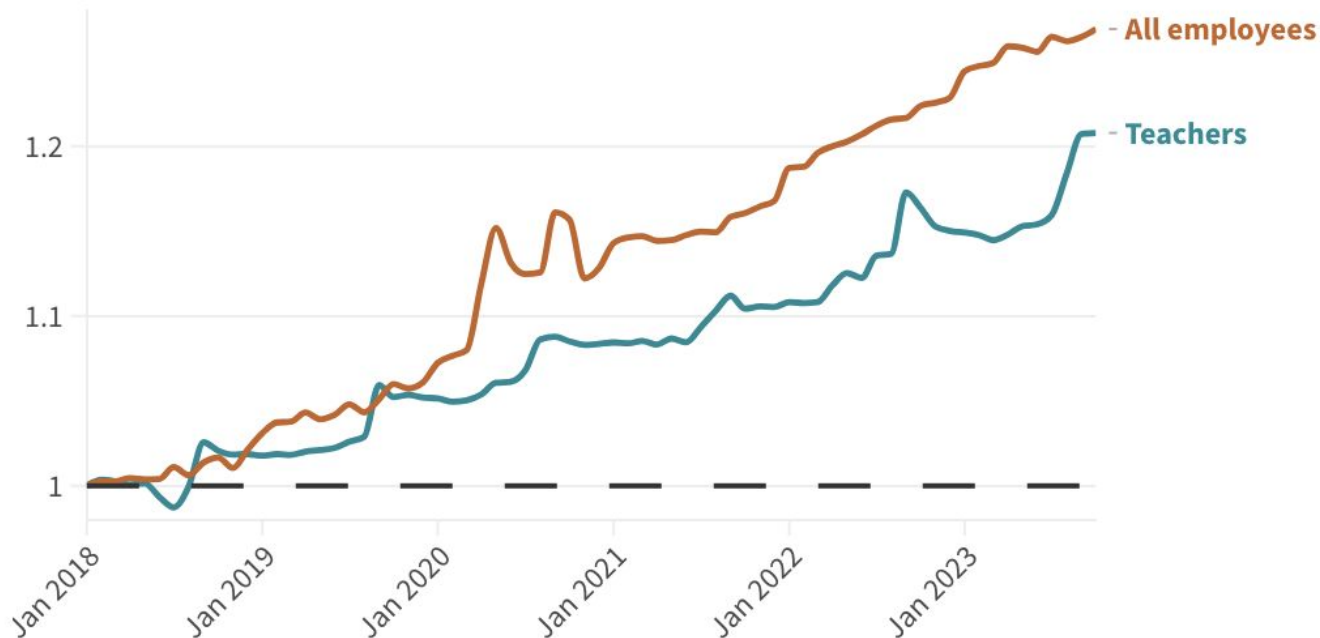
Competitive Salary Index is average teacher salary as a percentage of average salary for all employees.

Source



Salaries grow more slowly for teachers than for the workforce as a whole

Average salary index (Jan 2018 = 1)

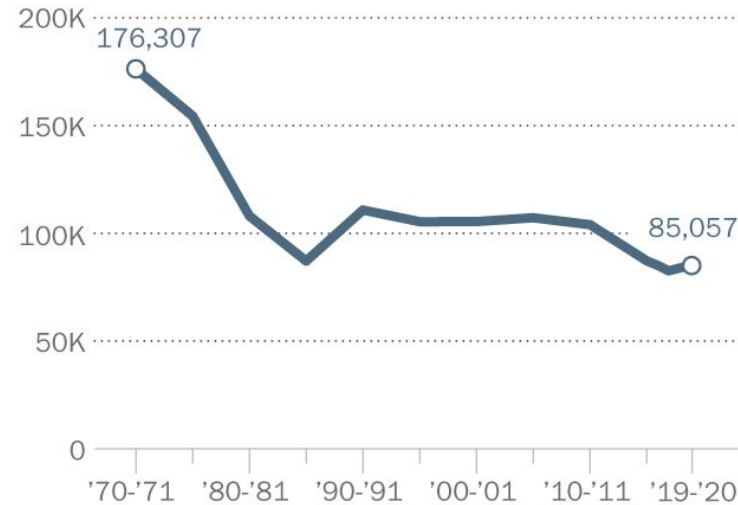


Source

Source: ADP data

In the U.S., the number of bachelor's degrees in education has declined over the last few decades

Number of bachelor's degrees in education conferred by postsecondary institutions, by school year



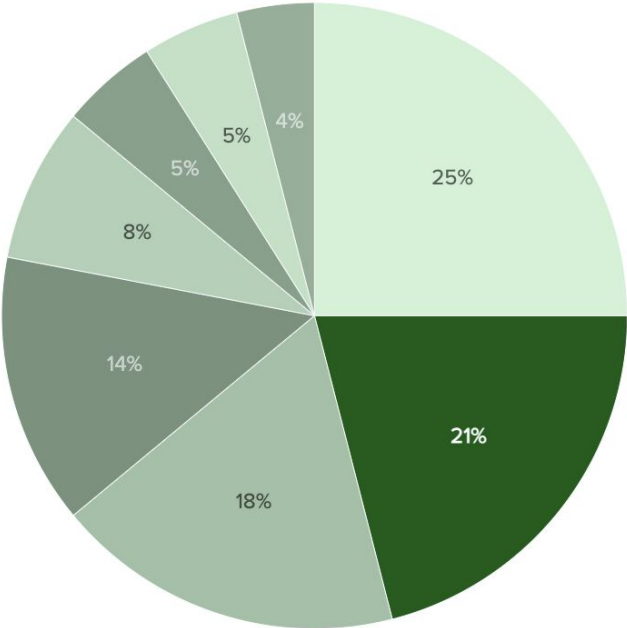
Source: U.S. Department of Education, National Center for Education Statistics.

Source

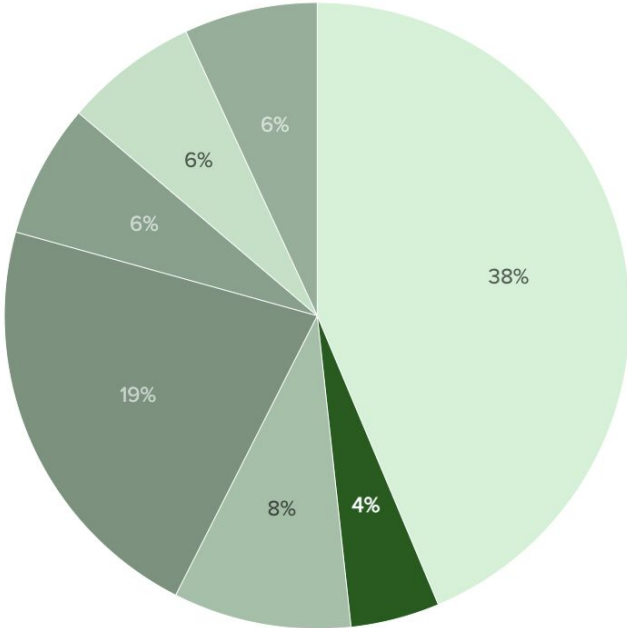
PEW RESEARCH CENTER

Five decades ago, 1 in every 5 college students studied education, making it the most popular subject in higher education. Today, business holds the ranking as the No. 1 college major.

Other Education Social Sciences and History Business English Engineering Psychology Biology



Percentage of Total Conferred Degrees in 1970-1971
Education:
21%



Percentage of Total Conferred Degrees in 2020
Education:
4%

Source

Evolution of Employer/Employee “Contracts”

Loyalty Contract (20th Century)

Transactional

Focus: Retain

Addresses basic needs: pay, benefits & security

Employees: assets to be managed

Exchange: Pay & benefits for time & output

Thrive Contract (2010's)

Whole-Person Consideration

Focus: Recover

Addresses well-being needs: purpose, equity & impact

Human-led, tech enabled for maximum value creation

Exchange: Engagement in org for broader set of rewards

Engagement Contract (2000's)

Work & Workplace Centered

Focus: Motivate

Addresses psychological needs: achievement, camaraderie & meaning

Employees: assets to be acquired & optimized

Exchange: Engagement in org for pay, benefits, career & experiences

Lifestyle Contract (Emerging Post Pandemic)

Life Experience

Focus: Energize

Addresses fulfillment needs: choice, connection & contribution

Human-centered, partnership built: People across the talent ecosystem partner to build sustainable systems

Exchange: Continued relevance for total rewards that include flexibility and employability.

“The emerging Lifestyle Contract embraces the intertwining of work and life so employees can enter authentic dialogues about what they want from their employment arrangements.

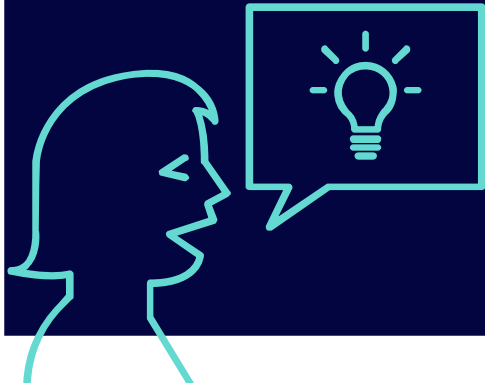
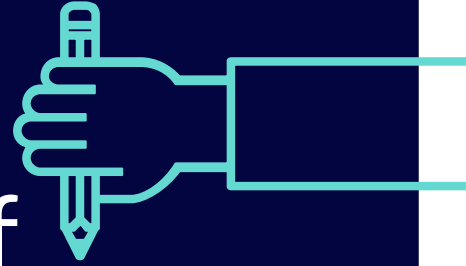
For example, our Global Talent Trends survey found that one in three employees would forgo a pay raise for additional well-being benefits for themselves or their families and additional flexibility at work.

And more than three in five employees will only join or stay with a company if they can work remotely/hybrid, forcing employers to reimagine new work contracts and reframe work-life integration.”

Source:

<https://www.mercer.com/en-us/insights/total-rewards/employee-wellbeing/a-pulse-on-total-well-being-at-work/>

What is a Faculty & Staff Compensation System?





Mission

DEI

Budget

World of Work

Health &
Well-Being

Careers

Culture



Faculty & Staff
Compensation System

Compensation System



Salary
Design



Evaluation &
Professional
Growth



Benefits



Compensation Philosophy



Compensation System

[The School]’s Compensation Philosophy

- Is driven by our mission and focused on attracting and retaining those who create a culture and community devoted to intellectual rigor, creativity in the arts, a spirit of athletics while fostering global understanding, positively contributing to the world, promoting well-being, and developing talented girls into confident young women.
- Is transparent and equitable with regard to overall compensation packages that include base salary based on job performance, additional responsibilities, educational and career experiences, and school involvement.
- Recognizes and rewards meeting and exceeding job responsibilities, outstanding contributions to the school community, collaboration, leadership, professional growth and life-long learning.

Compensation Philosophy Considerations:

- Must be anchored in your school's mission
- What faculty/staff behaviors are you encouraging and rewarding?
- What kind of career development and career pathways are you establishing?
- How does the philosophy align with and support school culture?
- Ensure the philosophy is easily understood and not overly complicated

Salary Design



Mission-driven, Data-informed
Leadership and Governance

Types of Salary Systems

Salary Scale /
Step & Lane

Bands / Tiers

Discretionary/Negotiated

- ❖ Stipends
- ❖ Performance / Merit Pay

Scale / Step & Lane

- Traditional model
- Still most common
- Teachers with same years experience and same degrees are paid the same

The Academy 2023-2024 Salary Schedule

	Step/Years of Teaching	BA	BA 24+	BA 60+/MA
Residency	R1/1	48,500	50,500	52,000
	R2/2	49,300	52,550	54,275
	R3/3	50,100	54,600	56,550
	P1/4	50,900	56,650	59,500
Professional	P2/5	51,700	58,700	61,550
	P3/6	59,100	60,750	63,375
	P4/7	60,100	62,800	65,650
	P5/8	61,100	64,850	67,925
	P6/9	62,100	66,900	70,200
	P7/10	63,100	68,950	72,475
	P8/11	68,500	71,000	74,800
	P9/12	69,500	73,050	77,025
	P10/13	70,500	75,100	79,300

Approved 5/16/23

	BS	BS8	BS16	BS24	MS	MS8	MS16	MS24	Spec/MS40	Doctorate
Step 1	37,370.00	37,882.00	38,394.00	38,906.00	40,953.00	41,721.00	42,490.00	43,257.00	44,537.00	46,073.00
Step 2	38,117.00	38,640.00	39,162.00	39,684.00	41,773.00	42,555.00	43,339.00	44,122.00	45,428.00	46,994.00
Step 3	38,880.00	39,412.00	39,946.00	40,478.00	42,608.00	43,407.00	44,207.00	45,005.00	46,336.00	47,934.00
Step 4	39,658.00	40,201.00	40,743.00	41,287.00	43,460.00	44,274.00	45,089.00	45,995.00	47,263.00	48,892.00
Step 5	40,451.00	41,005.00	41,558.00	42,113.00	44,329.00	45,160.00	45,991.00	46,824.00	48,208.00	49,870.00
Step 6	41,260.00	41,825.00	42,391.00	42,955.00	45,216.00	46,063.00	46,911.00	47,759.00	49,173.00	50,869.00
Step 7	42,085.00	42,661.00	43,238.00	43,814.00	46,120.00	46,984.00	47,850.00	48,714.00	50,156.00	51,885.00
Step 8	42,926.00	43,514.00	44,103.00	44,690.00	47,042.00	47,925.00	48,806.00	49,689.00	51,160.00	52,923.00
Step 9	43,785.00	44,383.00	44,984.00	45,584.00	47,983.00	48,883.00	49,783.00	50,683.00	52,182.00	53,981.00
Step 10	44,660.00	45,272.00	45,884.00	46,496.00	48,944.00	49,861.00	50,778.00	51,697.00	53,226.00	55,061.00
Step 11	45,554.00	46,176.00	46,801.00	47,427.00	49,922.00	50,859.00	51,794.00	52,731.00	54,290.00	56,163.00
Step 12	46,465.00	47,101.00	47,739.00	48,374.00	50,920.00	51,876.00	52,830.00	53,786.00	55,376.00	57,286.00
Step 13	47,393.00	48,044.00	48,693.00	49,342.00	51,939.00	52,913.00	53,887.00	54,860.00	56,484.00	58,432.00
Step 14	48,343.00	49,004.00	49,667.00	50,328.00	52,978.00	53,970.00	54,964.00	55,958.00	57,613.00	59,600.00
Step 15	49,309.00	49,985.00	50,660.00	51,335.00	54,037.00	55,051.00	56,063.00	57,077.00	58,765.00	60,792.00
Step 16	0.00	50,984.00	51,673.00	52,362.00	55,119.00	56,151.00	57,185.00	58,218.00	59,940.00	62,008.00
Step 17	0.00	52,004.00	52,706.00	53,410.00	56,220.00	57,274.00	58,330.00	59,383.00	61,139.00	63,247.00
Step 18	0.00	0.00	53,760.00	54,477.00	57,345.00	58,420.00	59,495.00	60,570.00	62,362.00	64,513.00
Step 19	0.00	0.00	54,836.00	55,567.00	58,492.00	59,588.00	60,685.00	61,782.00	63,610.00	65,804.00
Step 20	0.00	0.00	0.00	56,678.00	59,661.00	60,780.00	61,899.00	63,017.00	64,881.00	67,120.00
Step 21	0.00	0.00	0.00	57,812.00	60,855.00	61,996.00	63,137.00	64,277.00	66,180.00	68,462.00
Step 22	0.00	0.00	0.00	58,968.00	62,073.00	63,235.00	64,400.00	65,563.00	67,502.00	69,830.00
Step 23	0.00	0.00	0.00	0.00	63,313.00	64,501.00	65,687.00	66,875.00	68,853.00	71,227.00
Step 24	0.00	0.00	0.00	0.00	64,579.00	65,790.00	67,001.00	68,212.00	70,230.00	72,651.00
Step 25	0.00	0.00	0.00	0.00	65,870.00	67,106.00	68,341.00	69,576.00	71,635.00	74,106.00

PROS

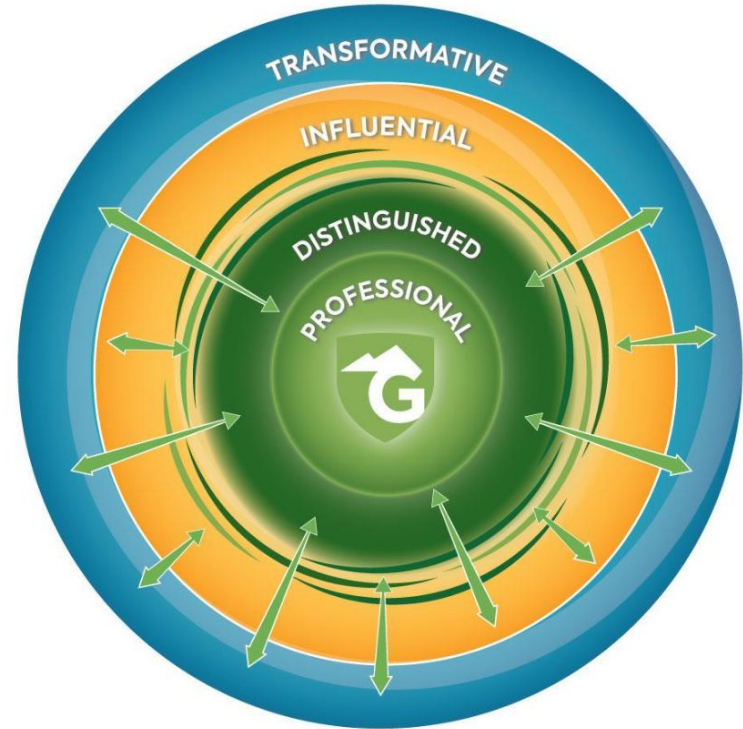
- Transparent (if followed)
- Predictable
- Objective, doesn't rely on potentially subjective measures
- Easy to administer
- Perceived as fair and equitable

CONS

- No flexibility for administration
- No opportunity for early or mid-career advancement
- Years exp. and degrees attained are not correlated with effective instruction / student outcomes
- Does not recognize varying levels of contribution to the mission

Bands / Tiers

- Most common salary model in the U.S. across all industries
- Growing adoption in schools in the last 15-20 years
- Tiers/bands typically defined with minimum and maximum pay
- Movement between tiers can be based on demonstrated standards, performance, or a combination of both



Tiered Salary System Example

Tier 1: “Development and Growth” This is usually a beginning teacher just starting his or her career.	Tier 2: “Involvement, Impact and Connection” This is an experienced teacher that demonstrates effectiveness and a commitment to the School. Generally has 4 or more years in the classroom.	Tier 3: “Leadership” This is a seasoned teacher who consistently demonstrates mastery of professional skills as well as takes on increased responsibility that positively impacts the faculty and broader community. Generally has 8 or more years experience in the classroom.	Tier 4: “Sustained and Acknowledged Excellence” A deeply committed and expert leader, taking on the role of both faculty advocate/mentor and a positive brand ambassador for the School.
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PROS

- Flexible
- Transparent
- Pathway for career advancement / "career-ladders"
- Rewards varying levels of contribution to the mission / performance

CONS

- More complex
- Can be perceived as subjective if standards / qualifications for tiers aren't clearly defined
- If performance is a factor, must have a reliable evaluation system
- Less predictable for budgeting

Stipends

- Grew out of need/desire to compensate some teachers over and above salary scale
- In some schools, grown to undesirable level where a stipend is expected for every small task
- Extra pay for extra work as the only means to increase comp. devalues classroom teaching / leads to burnout
- Importance of definition of full-time teacher role



Performance Pay

- Controversial topic among educators
- World of work / stakeholder expectations moving more schools to consider
- Not talking about “merit pay” based on test scores or other student measures
- Must have a reliable evaluation system
- Must flow from the school’s compensation philosophy



Staff Salary Systems

- Schools typically use a different system for staff than faculty
- Often, the different “system” is no system - fully discretionary/negotiated
- NBOA research of 405 schools found the following about administrator and support staff salary systems:
 - 25% Step and Lane
 - 10% Bands/Tiers
 - 35% Performance Pay
 - 30% Other

Evaluation and Professional Growth



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[illegible]

What are the primary goals of a performance management system in schools?

Improve collective and individual practice of teaching, supporting and administering



Improve delivery of the school's mission

Human Resource Management

Announcements

Employee Self Service

Employment

Benefits

Forms

Payroll

Policies and Guides

Employee Orientation
Toolkit

▶ HRM Procedures Manual

▼ Performance
Evaluation and
Professional

[home](#) | [policies and guides](#) | [performance evaluation and professional development system \(pepds\)](#)

Performance Evaluation and Professional Development System (PEPDS)

The purpose of the Performance Evaluation and Professional Development System is to clarify job expectations, encourage and support professional development, and provide quality feedback. The foundation of the system is ongoing, two-way communication between the supervisor and employee. The steps of the process and roles are explained below. If you have any questions, please contact Human Resource Management at 878-4822.

Overview

The system consists of three (3) parts: [job description](#), [performance program](#), [mid-year discussion](#) (optional), and [end-of-year evaluation](#). The performance program includes individual goals, professional development goals, and college community service activities. The optional mid-year discussion is an opportunity for the employee to receive feedback mid-way in the evaluation cycle and to review progress on the goals set in the performance program. The end-of-year evaluation is the final review of goal attainment and rating of overall performance for the year.

References

- [Message from the President](#)
- [Annual evaluation reminder from Human Resource Management](#)

**EVALUATION
SYSTEM**



**PROFESSIONAL
GROWTH SYSTEM**

What is the purpose of an evaluation system?

- Inform differential pay decisions if salary model calls for them
- Identify performance problems that need to be addressed immediately
- Ensure conformity with fundamental level of standards



Forbes

5 Lessons From The Failure Of The Gates Foundation's \$575 Million Effective Teacher Initiative

Frederick Hess Senior Contributor

Last week, RAND issued its massive and mostly negative evaluation of the Gates Foundation's ambitious effort to redesign teacher evaluation, compensation, and employment practices in three school districts and four charter school management organizations. The foundation's Effective Teacher Initiative, launched with great fanfare a decade ago, was an ambitious, expensive reform.

The final verdict was harsh, with RAND concluding, "The initiative did not achieve its goals for student achievement or graduation, particularly for LIM [low income minority] students." As the University of Arkansas's Jay Greene noted, even that is probably too generous an assessment. Greene observed, "This summary really under-states what they found. You have to slog through the 587 pages of the report and 196 pages of the appendices to find that the results didn't just fail to achieve goals, but generally were null to negative across a variety of outcomes."

And these disappointing results were not cheap. RAND reports that the Effective Teacher Initiative cost the participating schools \$575 million

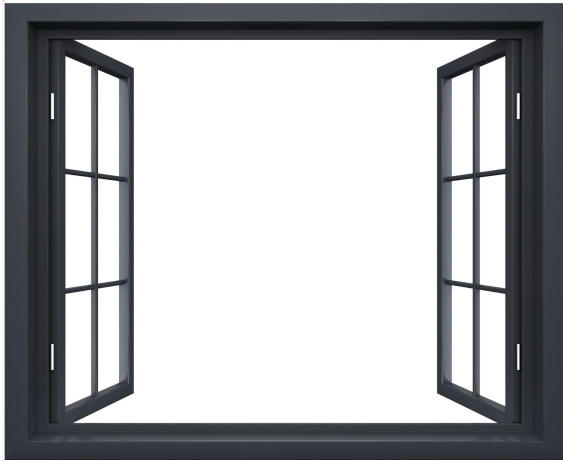
*Article Source

>
accenture

Deloitte.

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Humans are bad raters of other humans ...



VS



Idiosyncratic Rater Effect

“Although it is implicitly assumed that the ratings measure the performance of the ratee, in reality most of what is being measured by the ratings is the unique rating tendencies of the rater. Thus, ratings reveal more about the rater than they do about the ratee.”

London, Manuel, editor. *How People Evaluate Others in Organizations*. Psychology Press, 2001.

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If rating others isn't reliable, what can we do instead?

- We can measure what each evaluator (division head, department chair, supervisor, etc.) intends to do with each faculty or staff member in the future
- We are all reliable raters of our own intentions and feelings
- Short four question survey four times each year

THE BIG IDEA

Reinventing Performance Management

HOW ONE COMPANY IS
RETHINKING PEER FEEDBACK
AND THE ANNUAL REVIEW,
AND TRYING TO DESIGN A
SYSTEM TO FUEL IMPROVEMENT

by Marcus Buckingham and Ashley Goodall

40 Harvard Business Review April 2015

[Link](#) to article

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Performance Pulse

Generating reliable performance ratings

WHITE PAPER SERIES >>



tmbc.com

[Link](#) to white paper

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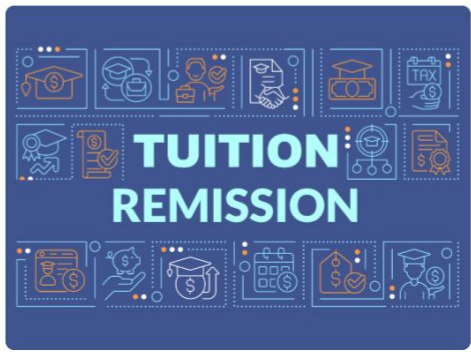
- More responsible for improving the practice of teaching and learning than evaluation
- Can and should foster excellence
- Focus on teaching and learning without direct compensation impacts
- Unique from school to school



Benefits



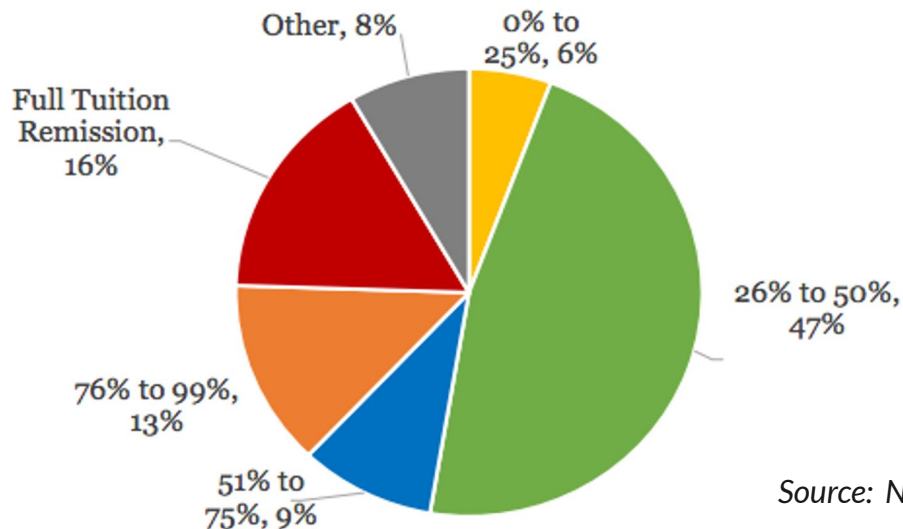
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Tuition Remission

Recent NBOA surveys show just over 80% of independent schools offer tuition remission.

Percent of Tuition Covered by Benefit
Among Schools Offering Tuition Assistance for Dependents



Source: NAIS

Emerging Benefit Topics



- Focus on mental-health, well-being, strong employee assistance programs
- On campus services: wellness, immunizations, nutritional counseling
- Concierge services to save time and add convenience
- Workers seeking flexible work arrangements, but how can that work for teachers?

Emerging Benefit Topics, Continued



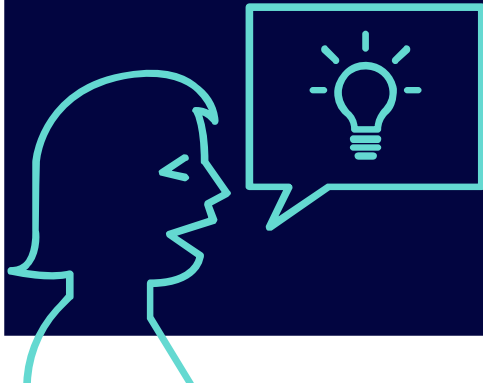
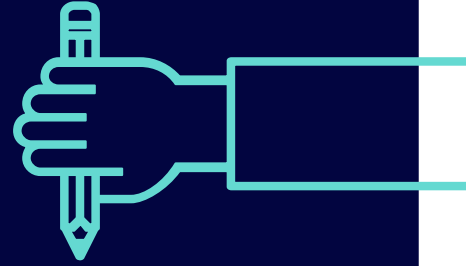
- Professional growth and development increasingly seen as an expected benefit
- Offerings for career development beyond basic professional growth
- Support for advanced degrees
- Partnerships with local colleges for courses offering microcredentials and topics of interest

Communication is Critical

- Benefits are complex and often not well understood
- Schools should consider providing total value of compensation statements / summaries



Designing and Implementing a New System





CHANGE

The image features two interlocking gears. The upper gear is light gray and has the word 'CHANGE' written on it in a bold, black, sans-serif font. The lower gear is a vibrant blue and has the word 'MANAGEMENT' written on it in the same bold, black, sans-serif font. The gears are shown in a close-up, perspective view, with their teeth meshing together. The background is a blurred, grayscale image of other gears, creating a sense of depth and mechanical complexity.

MANAGEMENT

- Start with “why”
- Prepare the school for change
- Process is critical
 - Transparent
 - Includes faculty voice
- Communicate changes
- Implement changes
- Monitor progress and results

Form Three Subcommittees

Suggest Faculty/Staff Co-Chair along with Administrator



Evaluation & Professional Growth

Subcommittee Tasks

Salary Design

- Articulate a compensation philosophy
- Define the role of a full-time teacher
- Develop a salary system



Evaluation / PG

- Review current evaluation system and recommend changes
- Develop professional growth model



Benefits

- Review current benefits offerings
- Recommend benefits changes



GROUND RULES

- Process is about reallocating current budget dollars available for faculty & staff compensation
- Suggest making clear that no one's base salary will decrease
- New system can take up to three years to be fully implemented





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www.missionanddata.com



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Mission & Data is a firm dedicated to the effectiveness, health, and vitality of educational institutions and other organizations that make the world a better place. We are committed to enhancing mission-driven, data-informed leadership and governance by:

Integrated strategy consulting to promote financial sustainability, improve organizational effectiveness and facilitate organizational transformation.

Developing custom data products, visualizations, and dashboards to highlight progress, identify trends, and leverage actionable insights.

Auditing current practice and analyzing organizational data to recommend process efficiencies and strategic improvements.

Coaching leaders and boards of trustees to enact institutional vision and build a culture of inquiry-based decision making practices.

