



**Bureau of Legislative Research**

**Policy Analysis & Research Section**



# ***Funding to Increase Teacher Salaries: Distribution Method Options***

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# ***Teacher Salary Overview***

- Statutory minimum salary schedule:
  - 16 steps for each year of experience from 0 to 15 years
  - Minimum: \$29,244 for BA & 0 yrs. exp.
  - Top of schedule: \$41,130 for MA & 15 yrs. exp.
  - Unchanged since the 2008-09 school year
- Average salary used in the 2013 matrix: \$48,356 plus benefits
- Actual average salary in 2013: \$47,316

# Recap of Proposals

	Current	Proposal #1	Proposal #2	Proposal #3
Description		Increase minimum to \$31,000	Increase schedule 1%	Increase schedule 2%
Minimum BA	\$29,244	\$31,000	\$29,536	\$29,829
Minimum MA	\$33,630	\$35,650	\$33,966	\$34,303
Total Cost*		<b>\$2.35 million</b>	<b>\$121,000</b>	<b>\$333,000</b>

\*Additional cost in 2012-13 if proposed minimums had been in place

# ***Questions to Consider***

- Purpose of the funding? Payment for new requirement or transition funding to what has been funded but not required?
- One- or two-time payment or ongoing?
- Target districts with salary schedules at the statutory minimum or increase funding for all districts?
- Total amount to increase?
- Restrict funding?

## ***Option A.1***

- Calculates the average salary in each district's schedule and compares it with the average salary in the proposed schedule.
- Difference is multiplied by number of teachers funded in matrix.

# Example A.1

	Proposal	Low-Paying District	High-Paying District
BA, 0 Years Exp.	\$31,000	\$29,244	\$44,570
BA, 15 Years Exp.	\$37,750	\$35,994	\$54,915
MA, 0 Years Exp.	\$35,650	\$33,630	\$47,094
MA, 15 Years Exp.	\$43,150	\$41,130	\$57,645
<b>Average Step Value</b>	<b>\$36,888</b>	<b>\$35,000</b>	<b>\$51,056</b>

Schedule Difference	
<u>Low-Paying District</u>	<u>High-Paying District</u>
\$36,888-\$35,000= <b>\$1,888</b>	\$36,888-\$51,056= <b>(\$14,168)</b>

# Option A.1 Example

	Low-Paying District	High-Paying District
ADM	750 students	20,000 students
Classroom Teachers Funded in Matrix (24.94 per 500 ADM)	37.41 classroom teachers	997.6 classroom teachers

	Low-Paying District	High-Paying District
Schedule Difference	\$1,888	-\$14,168
Number of Teachers	37.41	997.6
Payment Amount	\$70,630	Negative Value

# ***Option A.1 Example***

- Districts already paying above the pay schedule receive \$25 per classroom teacher in the matrix—the lowest step value difference of any district receiving funding.

	High-Paying District
Schedule Difference	\$25
Number of Teachers	997.6
Payment Amount	\$24,940



# ***Option A.1 Features***

- Total cost: \$2.7 million (2012-13)
- Every district receives funding
- Intended to be temporary to ease transition to higher salary schedule

## ***Option A.2***

- Same method as Option A.1, but uses 33.665 teachers instead of 24.94 classroom teachers
- Total cost: \$3.64 million

## ***Option B***

Like Option A, but based on the difference between a district's actual salary schedule and the median salary schedule.

# Option B Example

	Low-Paying District	High-Paying District	Median
BA, 0 Years Exp.	\$29,244	\$44,570	
BA, 15 Years Exp.	\$35,994	\$54,915	
MA, 0 Years Exp.	\$33,630	\$47,094	
MA, 15 Years Exp.	\$41,130	\$57,645	
<b>Average Step Value</b>	<b>\$35,000</b>	<b>\$51,056</b>	<b>\$37,687</b>

Schedule Difference	
Low-Paying District	High-Paying District
$\$37,687 - \$35,000 = \text{\textcolor{red}{\$2,687}}$	$\$37,687 - \$51,056 = \text{\textcolor{red}{(\$13,369)}}$

# ***Option B Example***

	Low Paying District	High Paying District
Schedule Difference	\$2,687	-\$13,369
Number of Teachers (24.94 per 500 ADM)	37.41	997.6
Payment Amount	\$100,521	Negative Value

# ***Option B Features***

- **Total Cost: \$5.29 million**
- 119 districts receive funding
- Districts that receive funding receive significantly more than under Option A, but other districts receive no funding
- Because Option B is based on the median salary schedule (rather than one-time salary schedule change), could be used as ongoing distribution method

## ***Option C.1: Per-Student Funding***

- Possible per-student funding amount: \$15, which is the average per-student increase districts would have paid in 2013 if minimum salary had been \$31,000
- Provides funding at the same rate for high- and low-paying districts
- Total cost for \$15 per-student increase: \$6.86 million

## ***Option C.2: Per-Student Funding***

- \$7 per student for district above 3,000 ADM
- \$15 per student for districts between 500 and 3,000 ADM
- \$30 per student for districts under 500 ADM
- **Total cost: \$5.12 million**



# ***Option C Features***

- All districts receive some level of funding
- Option C.1 could be easily integrated into matrix

# ***Possible Policies on Restricted Uses***

- No restrictions
- Funding can be used only for teacher salaries
- Districts that accept funding could be required to:
  - Commit to increase salary schedule by specified amount in subsequent year
  - Limit uses of NSL funding (e.g., first 2.5 instructional facilitators must be funded with foundation funding before using NSL funding)

# ***Option Cost Summary***

<b>Option</b>	<b>Description</b>	<b>2012-13 Cost</b>
A.1	Compares with Proposed Salary Schedule; Multiply by # of Classroom Teachers	\$2.7 million
A.2	Compares with Proposed Salary Schedule; Multiply by # of All Teachers	\$3.64 million
B	Compares with Median Salary Schedule	\$5.29 million
C.1	Per-Student Funding: One Rate	\$6.86 million
C.2	Per-Student Funding: Graduated Rates	\$5.12 million