



Teacher Compensation

Teachers' compensation has long been a chief concern in assessing the adequacy of the state's educational system. During the Lake View lawsuit, the courts cited Arkansas's comparatively low teacher salaries and wide wage disparities among districts in the state. In 2003, the Arkansas General Assembly addressed the concerns by passing new taxes to generate additional funding for a variety of educational reforms, including a raise for teachers. Act 59 of the Second Extraordinary Session of 2003 raised the statutory minimum salary nearly 26% and increased the other steps of the salary schedule by 20-25%. This document provides information on the main elements of teacher compensation.

Salary

Arkansas Code §6-17-2403 establishes the minimum salary schedule for teachers in Arkansas. The minimum salary for a teacher with a bachelor's degree is \$29,244, while the minimum salary for a teacher with a master's degree is \$33,630. For each additional year of teaching experience, districts must pay an additional \$450 for teachers with a bachelor's degree and \$500 for teachers with a master's degree.

Years of Exp.	BA	MS	Difference
0	\$29,244	\$33,630	\$4,386
1	\$29,694	\$34,130	\$4,436
2	\$30,144	\$34,630	\$4,486
3	\$30,594	\$35,130	\$4,536
4	\$31,044	\$35,630	\$4,586
5	\$31,494	\$36,130	\$4,636
6	\$31,944	\$36,630	\$4,686
7	\$32,394	\$37,130	\$4,736

These steps are in addition to any cost of living adjustment or year-end bonus that teachers may receive. During the 2012-2013 school year, eight of the 239 districts used the statutory minimum as their minimum salary. The schedule has not been updated since the 2008-09 school year.

In 2012-13, the state's average teacher salary was \$46,631, according to the National Education Association (NEA). This ranks Arkansas 11th among the 16 Southern Regional Education Board states, and 5th among surrounding states. The Arkansas Department of Education calculates the average teacher salary differently from the NEA. Under ADE's methodology, the average teacher salary for 2012-13 was \$47,316.

Health Insurance

Public school employees are offered health insurance through a state plan administered by the Employee Benefits Division (EBD) of the Arkansas Department of Finance and Administration. In calendar year 2013, 44,880 school district employees, or 65.7%, participated in the state plan. (This figure does not include employees of charter schools, educational service cooperatives, or vocational centers.) To fund the plans, school districts are required to pay a statutorily established monthly amount for each public school employee participating in the plan (§6-17-1117). In 2012-13, that amount was \$131. Act 517 of 2013 increased that amount to \$150 and requires the minimum district contribution to increase annually in future years. In 2012-13, 116 of the 239 school districts, or 48.5%, paid more than the minimum contribution.

The state also provides \$50 million annually to EBD to offset the cost of health insurance for public school employees. During the first Extraordinary Session of 2013, the General Assembly approved legislation that is expected to generate \$24.6 million in new funding for public school employee insurance beginning in 2014-15. The state also has occasionally provided one-time funds, including \$43 million for the 2013-14 fiscal year.

For calendar year 2013, the employee share of the employee-only plan ranged from \$10 to \$226 per month (assuming the district paid only the minimum

contribution of \$131). The employee share of family coverage ranged from \$245 to \$1,030 per month.

Retirement

Public school teachers are offered retirement benefits through the Arkansas Teacher Retirement System (ATRS) to which school districts are required to contribute (§24-7-401). The ATRS Board of Trustees sets the employer contribution rate each year, and state statute prohibits the rate from exceeding 14% of the salaries of employees enrolled in the system. In 2013, the General Assembly passed Acts 1399 and 1446, both of which increased the maximum contribution rate to 15% beginning in 2015-16.

Paid Leave

Arkansas Code §6-17-1204 requires school districts to provide teachers one day of paid sick leave per contract month.

Salary Used for Matrix Calculation

To calculate the 2012-13 per-student foundation funding, the matrix used a base salary of \$48,356. An additional 22% of that amount is added for fringe benefits (14% for retirement and 8% for Social Security, Medicare, unemployment and workers' compensation) and a flat rate of \$1,572 for health insurance (\$131 for 12 months).

	2012-13
Teacher Salary in Matrix	\$48,356
Retirement	\$6,770
Social Sec., Medicare, Unemployment, Wrkr's Comp.	\$3,868
Health Insurance	\$1,572
Total = Salary + Fringe	\$60,566

This total compensation amount of \$60,566 is multiplied by the 33.665 school-level employees needed for a 500 student school. On a per-student basis [(\$60,566*33.665)/500], teacher compensation makes up \$4,078, or 65% of the total \$6,267 foundation funding amount. Of the \$2.88 billion in foundation funding provided to districts in 2012-13, \$1.88 billion was intended to support teacher salaries. BLR: March 2014