

HANDOUT E1

IMPACT OF TEACHER SALARY IN FOUNDATION FUNDING

December 2, 2020

IMPACT OF TEACHER SALARY IN FOUNDATION FUNDING

Background:

- The classroom teacher salary line item represents 49 percent of foundation funding.
- This study only deals with the classroom teacher salary line item.
- The focus of this study is to quantify the effect of school district size on the classroom teacher salary line item.
- It is important to remember that the foundation portion of the Matrix funds per student not per teacher or per class.

IMPACT OF TEACHER SALARY IN FOUNDATION FUNDING

Study information/nomenclature:

- The data used in the study was all Arkansas school district and charter system 2019-2020 enrollment.
- The enrollment data collected was to the grade level.
- A fractional class is a class that has less enrollment than provided for within the Matrix.
- Each district's K, 2nd, 3rd and 4rd grades were reconstructed using matrix and Department of Education guidelines to minimize the number of fractional classes.
- Reduced number of fractional classes maximizes the funding of teacher salaries.

IMPACT OF TEACHER SALARY IN FOUNDATION FUNDING

Fractional class example:

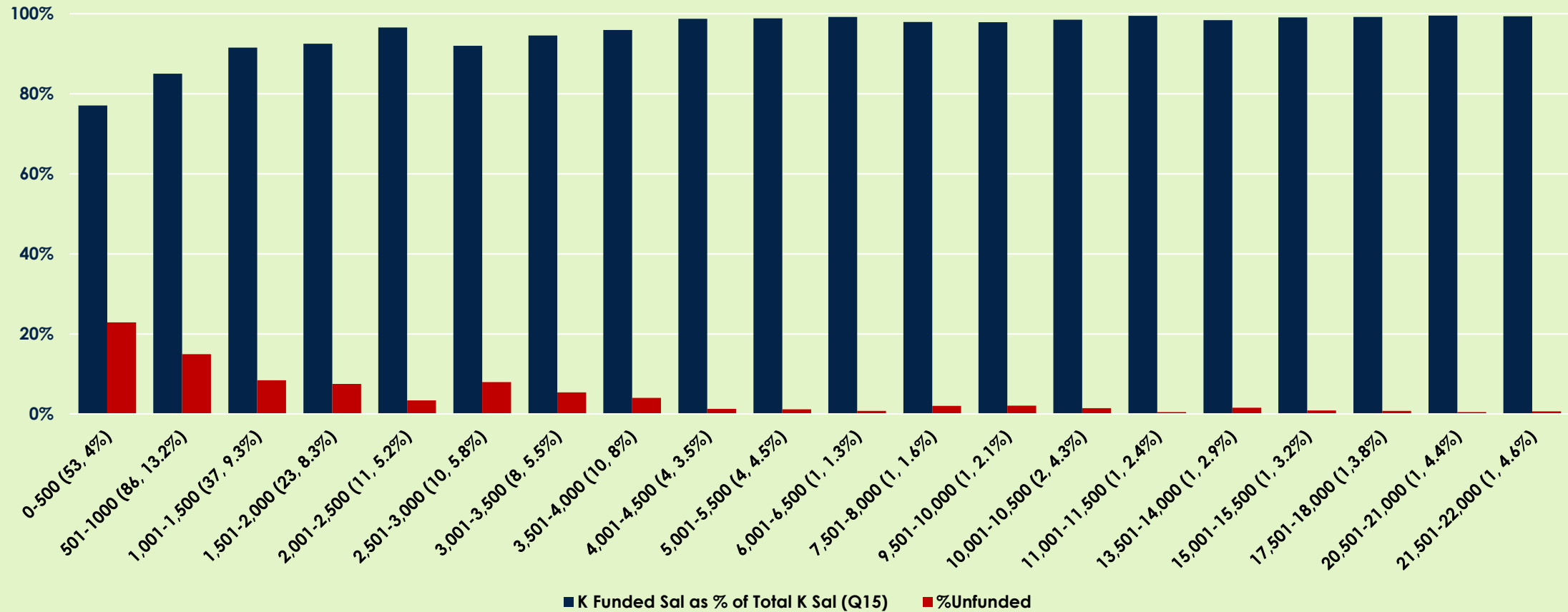
A school district with 40 kindergarten students would divide the students into 2 classes of 20 students each. In this example, the two kindergarten teachers would be fully funded by the Matrix.

Accreditation standards would require a school district having an enrollment of 30 kindergarten students to divide into two fractional classes, of 15 students each for this example. The matrix would provide funding for 30 students. In this example the salaries of the two teachers would only be funded at 75 percent.

Another contributing factor to fractional classes is the differences in class size for grades levels.

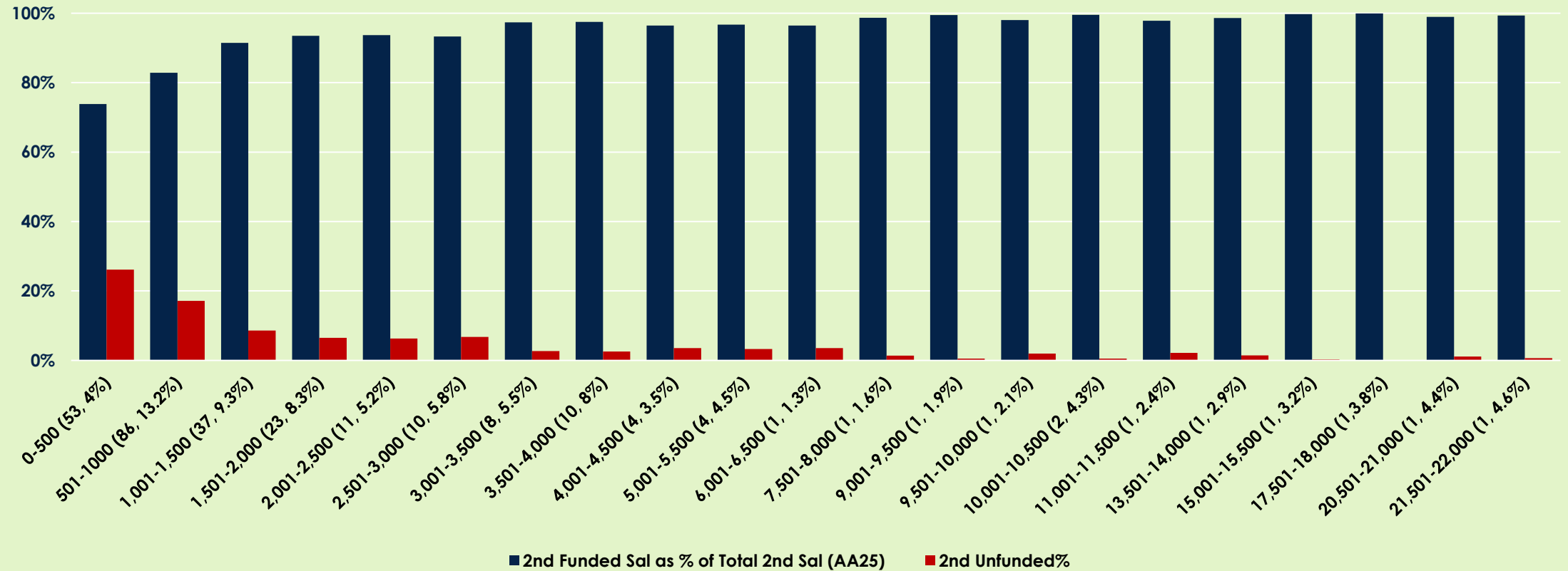
- Kindergarten – 20:1
- Grades 1-3 – 23:1
- Grades 4 -12 – 25:1

Kindergarten Teacher Salary as Funded/Unfunded by Per-Kindergarten-Pupil Foundation Funds



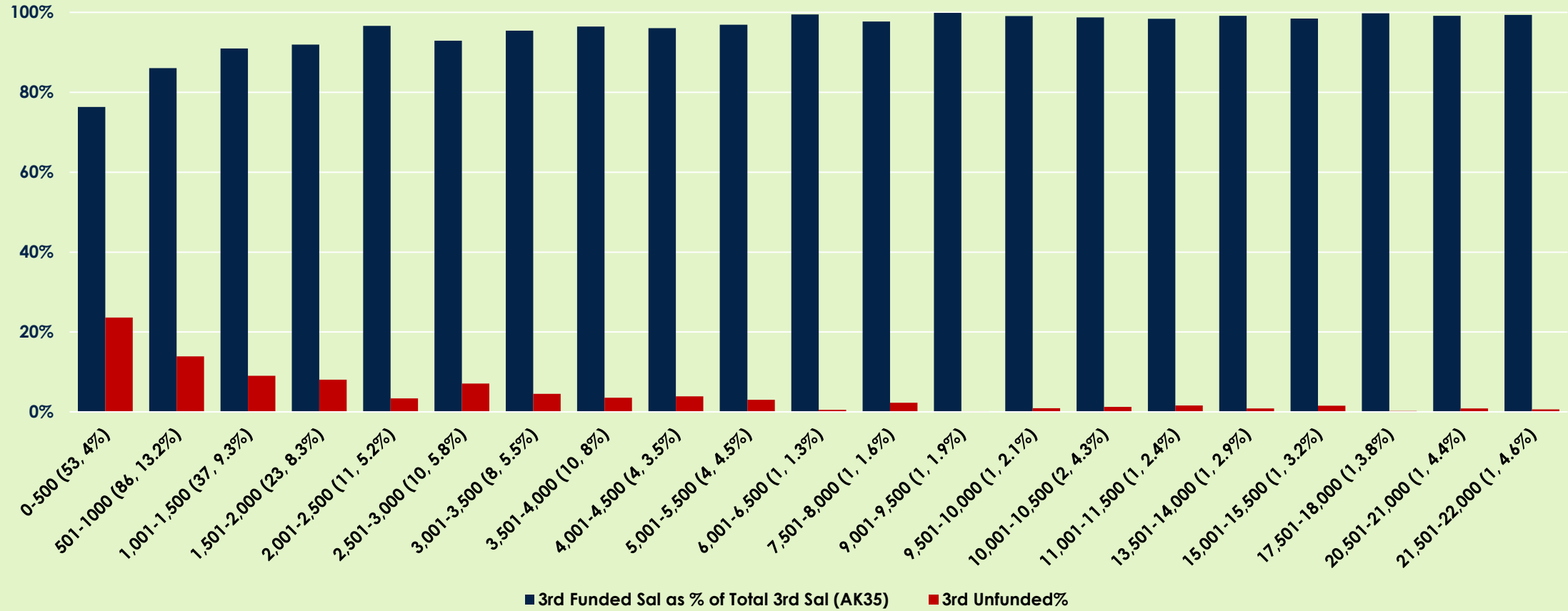
KINDERGARTEN

2nd Grade Teacher Salaries as Funded/Unfunded by Per-2nd-Grade-Pupil Foundation Funds



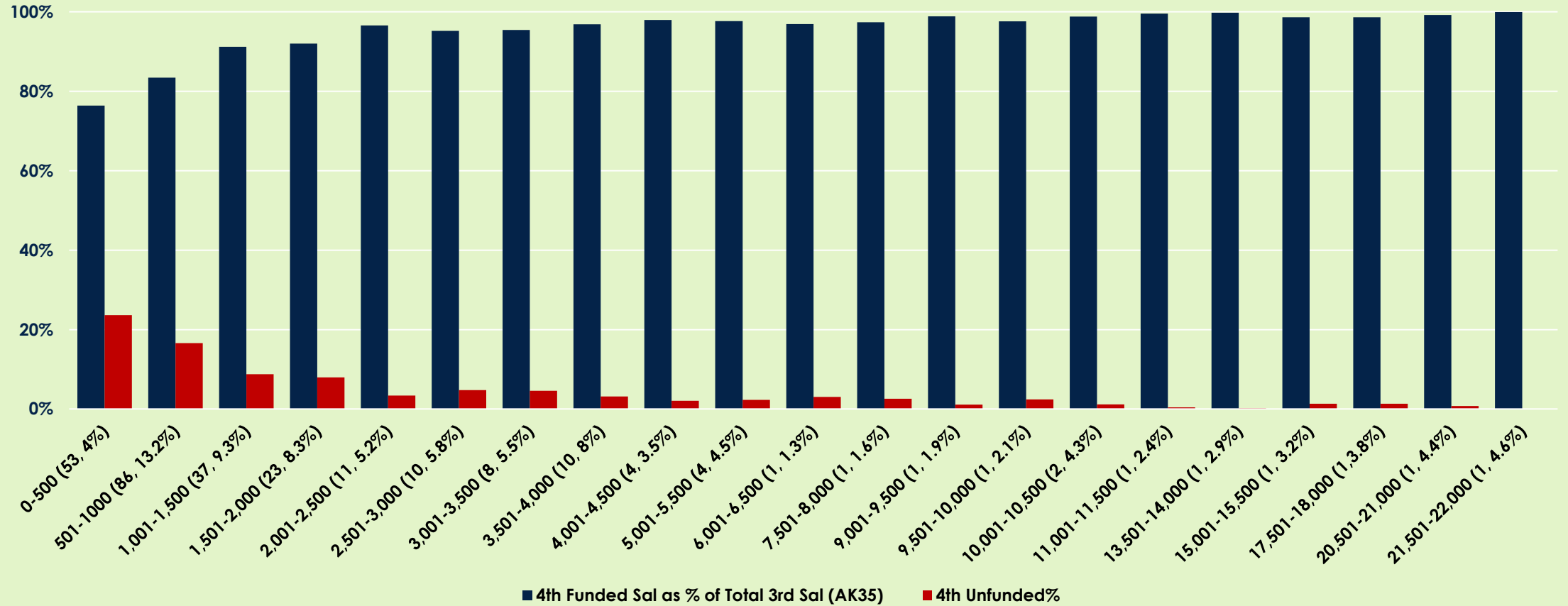
2ND GRADE

3rd Grade Teacher Salary as Funded/Unfunded by Per-3rd-Grade-Pupil Foundation Funds



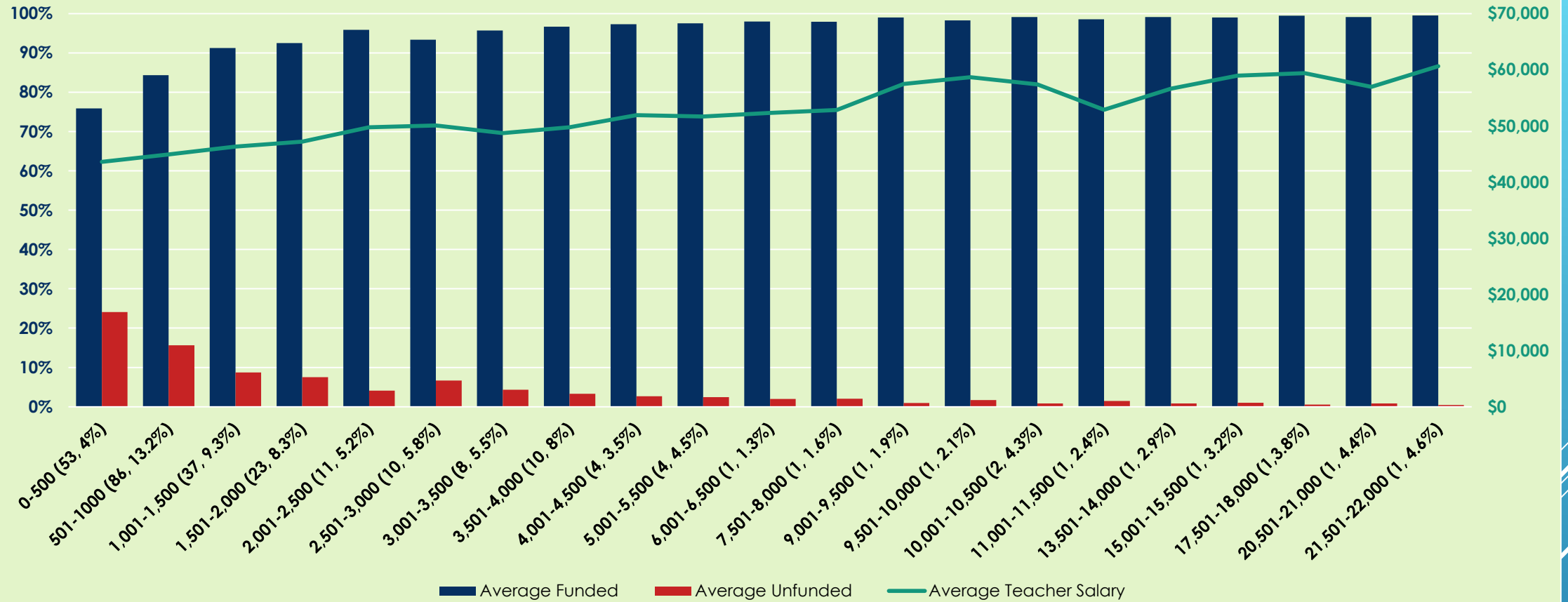
3RD GRADE

4th Grade Teacher Salary as Funded/Unfunded by Per-4th-Grade-Pupil Foundation Funds



4TH GRADE

Foundation Funding Impact w/ Average Salary (excluding benefits)



AVERAGE OF ALL FOUR GRADES

Grade Level	0-500	501-1000	TOTAL
Kindergarten	\$1.5 million	\$2.7 million	
2nd Grade	\$1.7 million	\$2.9 million	
3rd Grade	\$1.5 million	\$2.4 million	
4th Grade	\$1.5 million	\$2.9 million	
TOTAL:	\$6.2 million	\$10.9 million	\$17.1 million

Assuming 1st grade unfunded amounts matched the 2nd grade's, the total need to fully fund grades K-4 would be **\$21.7 million**.

HOW MUCH TO EVEN FUNDING FOR SMALL SCHOOLS?

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Summary:

The study shows a repeated pattern of underfunded classroom teacher salaries in smaller school districts. The shortfall stems from three factors:

- A higher mathematical probability of fractional classes.
- The additional salary cost associated with fractional classes must be absorbed by a smaller salary budget.
- Tools provided by accreditation standards are less beneficial when applied to smaller district.

I recommend additional studies to this line item and others.

A total enrollment multiplier should be applied to the classroom teacher salary line item to flatten the curve.

QUESTIONS

