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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*		\$2.35 million	\$121,000	\$333,000

*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
Average Step Value	\$36,888	\$35,000	\$51,056

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

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	
Average Step Value	\$35,000	\$51,056	\$37,687

Schedule Difference	
Low-Paying District	High-Paying District
\$37,687-\$35,000= \$2,687	\$37,687-\$51,056= (\$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

Option	Description	2012-13 Cost
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