



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 2017-18 for a teacher with a bachelor's degree is \$31,400, while the minimum salary for a teacher with a master's degree is \$36,050. 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	MA	Difference
0	\$31,400	\$36,050	\$4,650
1	\$31,850	\$36,550	\$4,700
2	\$32,300	\$37,050	\$4,750
3	\$32,750	\$37,550	\$4,800
4	\$33,200	\$38,050	\$4,850
5	\$33,650	\$38,550	\$4,900
6	\$34,100	\$39,050	\$4,950
7	\$34,550	\$39,550	\$5,000
8	\$35,000	\$40,050	\$5,050
9	\$35,450	\$40,550	\$5,100
10	\$35,900	\$41,050	\$5,150
11	\$36,350	\$41,550	\$5,200
12	\$36,800	\$42,050	\$5,250
13	\$37,250	\$42,550	\$5,300
14	\$37,700	\$43,050	\$5,350
15	\$38,150	\$43,550	\$5,400

During the 2017-18 school year, 30 of the 235 districts used the statutory minimum as their minimum salary. The state minimum salary amount for bachelor

degree prepared teachers was raised in 2015-16 for the first time since the 2008-09 school year. The minimum salary was increased that year and for each of the next three years:

- \$30,122 in 2015-16
- \$31,000 in 2016-17
- \$31,400 in 2017-18
- \$31,800 in 2018-19

In 2016-17, the state's average teacher salary was \$48,304, according to the National Education Association (NEA). This ranks Arkansas 12th among the 16 Southern Regional Education Board states, and 5th among surrounding states. The Bureau of Legislative Research (BLR) calculates the average teacher salary differently from the NEA. Under BLR's methodology, the average teacher salary for 2016-17 for school districts (not including charters) was \$49,777 and \$49,615 for school districts including charters.

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 2017, 46,271 public school employees, participated in the state plan. (This figure includes employees of charter schools, educational service cooperatives, and vocational centers.) To fund the plans, school districts are required to pay a statutorily established minimum monthly amount for each public school employee participating in the plan (§6-17-1117). In calendar year 2017, that amount was \$155.93. In 2016-17, at least 45% of districts and charter schools paid more than the minimum contribution.

The state also provides annually additional funding to EBD to offset the cost of health insurance for public school employees. In fiscal year 2017, the state provided about \$92.1 million to EBD.

For calendar year 2018, the employee share of the employee-only plan ranged from \$11.26 to \$183.46 per month (assuming the district paid only the minimum contribution and the employee completed a wellness

visit the previous year). The employee share of family coverage ranged from \$275.62 to \$833.44 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 (A.C.A. §24-7-401). The ATRS Board of Trustees sets the employer contribution rate each year, and the rate charged for 2017-18 is 14%. Act 1446 of 2013 gave the ATRS the authority to increase the employer contribution percentage to 15%, and in November 2017, the ATRS Board of Trustees voted to increase the percentage beginning in 2019-20. The employer contribution will increase a quarter of a percentage point each year over a four-year period.

Paid Leave

Arkansas Code §6-17-1204 requires school districts to provide teachers one day of paid sick leave per contract month, or about 9 or 10 days each year for most teachers.

Salary Used for Matrix Calculation

To calculate the 2017-18 per-student foundation funding rate, the matrix used a base salary of \$51,736. 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 \$1,881 for health insurance (\$155.93 for 6 months and \$157.50 for 6 months).

	2017-18
Teacher Salary in Matrix	\$51,736
Retirement	\$7,243
Social Sec., Medicare, Unemployment, Wrkrs' Comp.	\$4,139
Health Insurance	\$1,880
Total = Salary + Fringe	\$64,998

This total compensation amount of \$64,998 is multiplied by the 33.69 school-level employees needed for a 500 student school. On a per-student basis, teacher compensation makes up \$4,380, or 65% of the total \$6,713 foundation funding amount. Of the \$3.1 billion in total foundation funding estimated to be provided to districts in 2017-18, about \$2 billion was intended to support teacher salaries.