

Training and Experience Recommendations

Issue Summary

Under Quality Basic Education (QBE), over \$2 billion of the total education budget is associated with teacher training and experience (T&E) supplements. In the current funding formula, the state assumes that the cost of a first year teacher (the “base” salary) is included in the funding per QBE category; then, provides additional resources for each teacher’s training and experience (advanced degrees and years of service) to ensure teacher salaries as defined by the state salary schedule are fully covered by the state.

A review of research indicates that advanced degrees and years of experience do not positively affect student achievement, with the exception of the areas of advanced science and mathematics. Due to the results of this research, districts are encouraged to move to a compensation system for teachers which is based on performance. While districts are transitioning to new and more flexible salary schedules for teachers, it is critical to ensure that all current teachers are treated fairly. There is, however, equal importance of ensuring that districts have maximum flexibility to determine their own pay scales to reward, retain and recruit a high-caliber workforce aligned with their students’ needs. A fully flexible formula based on student needs should include adequate funding *within* the student base to ensure that districts can structure their workforce as they see fit. Maintaining a general T&E categorical grant sitting outside the main formula makes it all but impossible to accomplish this goal, but rolling the entire T&E grant into the base will penalize some districts with a more senior workforce. A viable transition plan must find a way to maximize the student base funding while both being fair to teachers currently in the system and providing districts with reliable revenue estimates for budget purposes.

Recommendation

The state has a long precedent of setting the base salary within the funding formula’s QBE categories. Building on that precedent, the following two-part model can be a reasonable compromise and an effective means of transitioning from the current system to a weighted student funding formula:

1) Include the state average salary (\$50,767) in the base allotment, rather than just the current base salary (\$33,424). On a per-student basis, this works out to \$3,590 (versus \$2,364 for base salary, alone). This change would result in all of the districts currently below the state average receiving more money.

Figure 1 shows the average salary of every district in the state, relative to the state average. Blue bars are districts currently below that average (represented in the x-axis). Each blue district will receive more funding per staff position than the district currently earns. The size of that increase will be relative to how far they currently fall below the state average. Using this approach, the additional funds will be flexible since they are allotted in the base and not as a categorical grant.

2) To accommodate the districts that are currently above the average salary, create a T&E supplement that holds districts harmless. In Figure 1 red districts currently have above average salaries. Each of these districts would receive a T&E supplement equal to the difference between the state average (which they’ll receive in base funding) and the average of what they currently pay their staff. Dawson County is a red district, with an average salary of \$52,572. Because Dawson’s salary costs are \$1,805 more than the state average, they would qualify for a T&E grant of $\$1805 \times 264$ (the number of qualifying positions) = \$476,520.

In the first year of implementation, if all staff were grandfathered into the existing state salary schedule, the cost would be about \$50 per student (or \$720 per staff position). The size of the entire T&E supplemental grant would amount to \$88 million. Figure 2 demonstrates why this would be the case. The makeup of salaries across the state is relatively uniform, and by including the average state salary (\$50,767) in the base allotment, almost all of current T&E dollars are absorbed (about \$2.0 billion of the \$2.1 billion, total). 1

Over time, as the teachers grandfathered into the system retire or leave the profession, this supplemental T&E grant will gradually decrease in size. The state could benchmark the average salary to year 1 (at \$50,767) or recalculate the average each year based on those teachers still in the system. While the average would likely increase, the absolute dollars required for the T&E grant would still fall over time.

Conclusion

By funding the state’s average teacher salary in the student base, the state can provide maximum flexibility to all districts to gradually develop and implement their own salary structures in coming years. This reduces the amount of categorical grant funding outside of the student base and sets the stage for flexibility and innovation in future years. However, providing T&E grants, which will phase out over time, for the actual cost of current teachers in districts above the state average will ensure that there is budget and salary stability without allowing this set-aside to continue indefinitely. Because of the T&E dollar amount relative to the education budget, it would be possible to grandfather in every current teacher and still have an acceptable amount left to include in the base funding. It is a win-neutral option for every district, in that no district would lose funding or flexibility as a result, and some will gain a significant amount of funding *and* flexibility.

Figure 1: Average District Salaries Relative to State Average (2016)

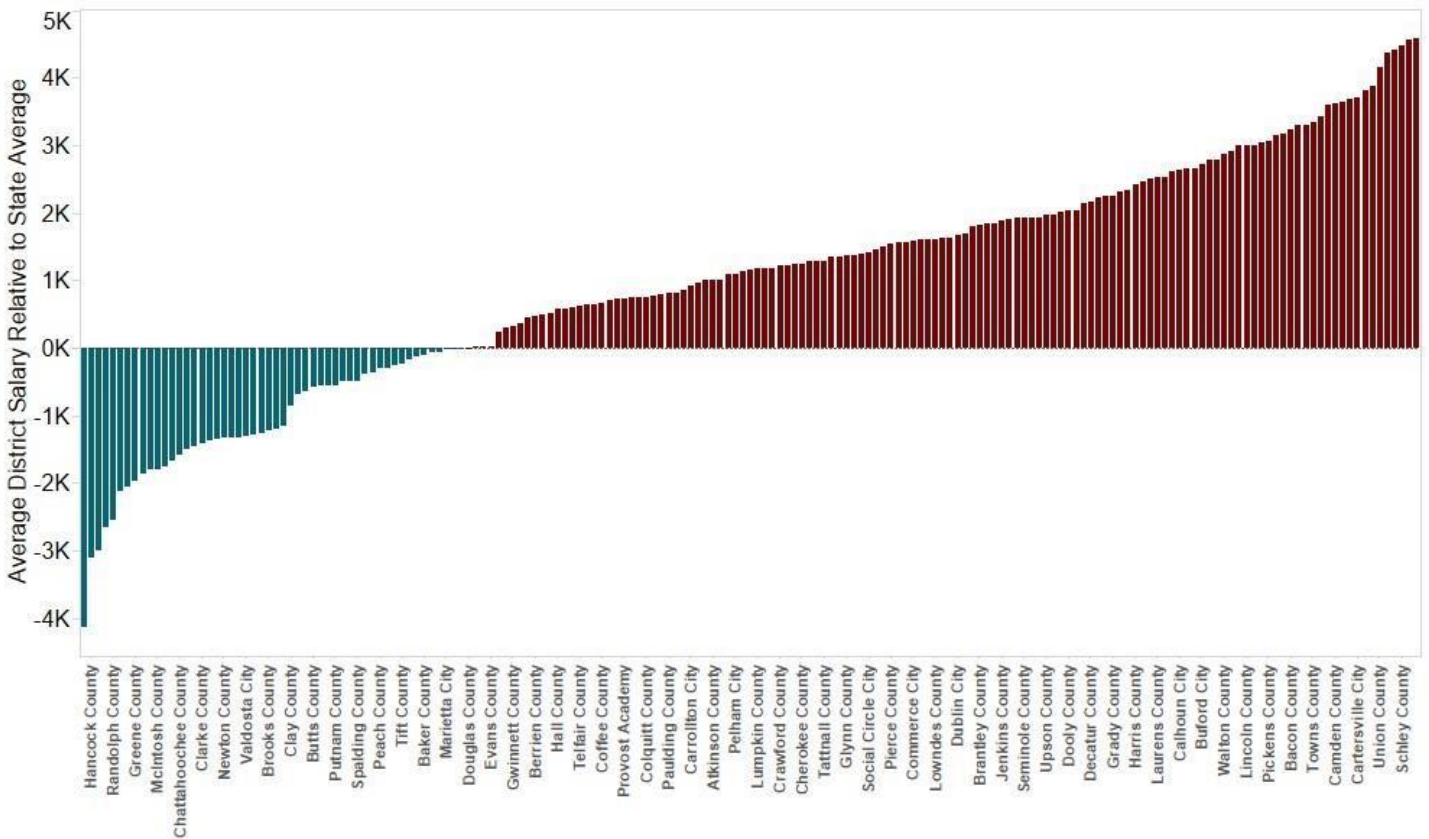


Figure 2: Average District Salaries (2016)

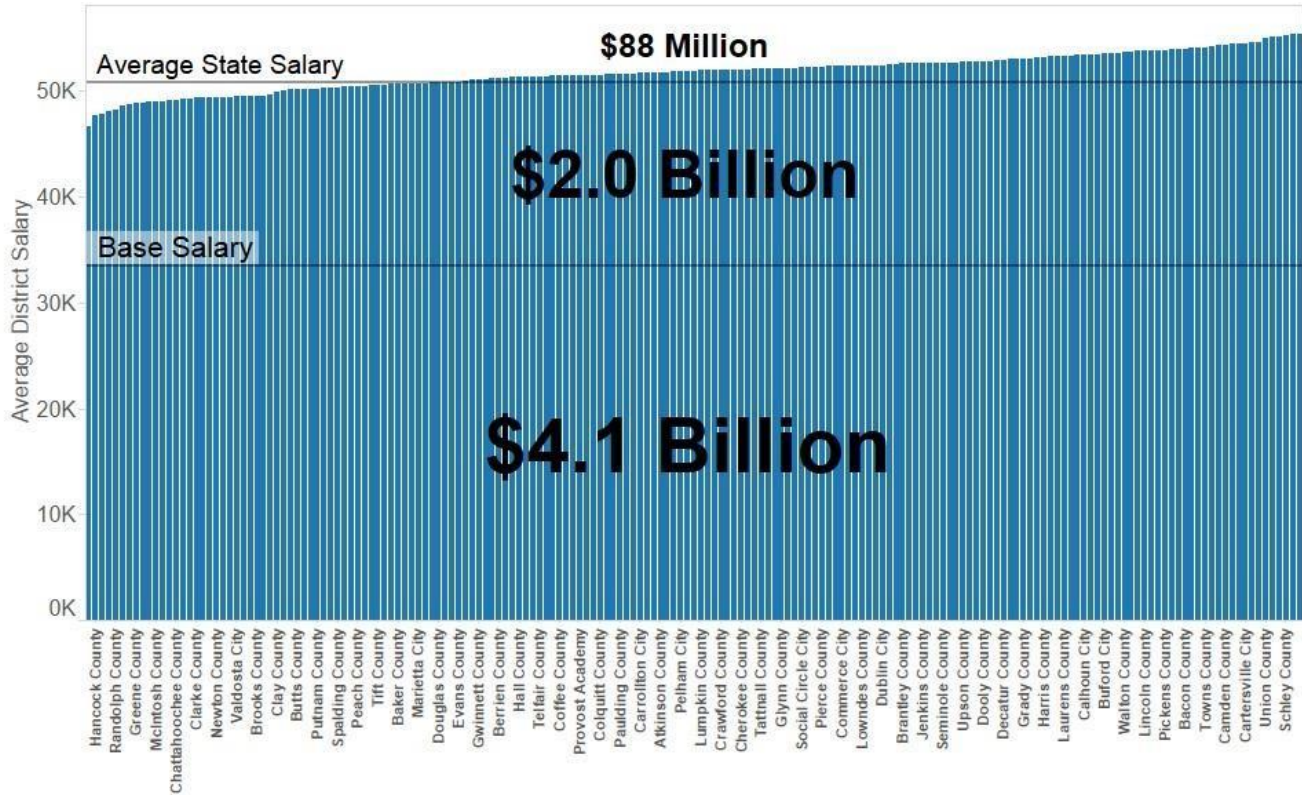


Table 1: Summary of Model Results

	Model Estimates (Compared Against Current T&E Method)				2016		
	District	Change in T&E Revenue, Total	Size of T&E Grant (Hold Harmless)	Change in T&E Revenue, per Position	Size of T&E Grant, per Position (Hold Harmless)	Number of T&E Positions (2016)	Average District Salary (2016)
Top 5 Districts Earning More Than Current T&E	Fulton County	\$29,266,903	-	\$4,127	-	7,091	\$46,641
	Cobb County	\$15,083,238	-	\$1,866	-	8,085	\$48,902
	Dekalb County	\$8,634,491	-	\$1,205	-	7,165	\$49,563
	Clayton County	\$6,229,021	-	\$1,804	-	3,452	\$48,963
	Atlanta Public Schools	\$5,820,856	-	\$1,318	-	4,416	\$49,450
5 Largest T&E Grant	Houston County	-	\$3,005,226	-	\$1,449	2,074	\$52,217

Beneficiaries	Floyd County	-	\$3,340,972	-	\$4,373	764	\$55,141
	Cherokee County	-	\$3,397,285	-	\$1,255	2,707	\$52,022
	Gwinnett County	-	\$3,755,272	-	\$328	11,449	\$51,096
	Fayette County	-	\$4,168,260	-	\$2,790	1,494	\$53,557