

**ISSUE REVIEW** Fiscal Services Division

September 26, 2012



# Salary Growth of Iowa Teachers and School Administrators

## <u>ISSUE</u>

In recent years, in both lowa and nationally, there has been a strong focus on increasing salary levels for teachers. Iowa initiated the Student Achievement and Teacher Quality Program in FY 2002 to improve the quality of K-12 teachers in Iowa's schools. The program's funding to improve teacher salaries continues and is now part of the school aid formula. During the same time period, there has been a growing focus on recruiting and improving the quality of school district superintendents and other school administrators. This *Issue Review* looks at the growth of salaries over the past 10 years for Iowa's full-time teachers, superintendents, and other administrators.

## AFFECTED AGENCIES

Department of Education

Local Education Agencies (School Districts)

## CODE AUTHORITY

Iowa Code chapters 284 and 284A

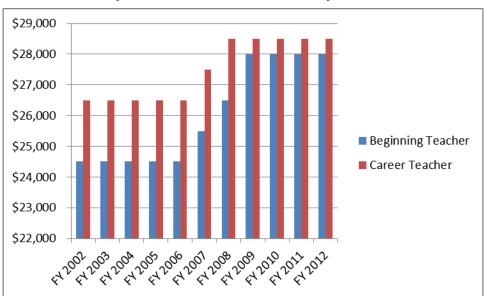
## BACKGROUND

<u>Student Achievement and Teacher Quality Program</u> – In 2001, the policy and funding for the Student Achievement and Teacher Quality Program were enacted.<sup>1</sup> The program has continued to receive funding, at varying levels, and since FY 2010, the salary enhancement component has been funded through the school aid formula on a per pupil basis. In recent years, the estimated program funding for salaries has ranged from \$210.0 million in FY 2010 to \$215.1 million in FY 2012. The program funding is intended to supplement salaries; districts fund the majority of teacher salary expense from general State aid to schools and local property tax revenue. Increases in teacher salaries are determined at the local level through the collective bargaining process.

Prior to FY 2002, the minimum salary amount for Iowa teachers was \$23,000. The program established a career ladder and set minimum salaries for the steps on the ladder. In FY 2002, the minimum salaries were \$24,500 for Beginning Teachers and \$26,500 for Career Teachers. Since FY 2008, the minimum salaries have been set at \$28,000 for Beginning Teachers and \$30,000 for Career Teachers. (See **Chart 1** on the following page.)

<sup>&</sup>lt;sup>1</sup> Iowa Code chapter <u>284</u>.

Chart 1 Statutory Minimum Teacher Salaries by Career Level



<u>Administrator Quality Program</u> – Beginning with FY 2008, the General Assembly established the Administrator Quality Program that required school districts to:

- Implement a Beginning Administrator Mentoring and Induction Program similar to one established for teachers in the Student Achievement and Teacher Quality Program.
- Adopt individual administrator professional development plans.
- Adopt an administrator evaluation plan that meets certain requirements.

The program does not address minimum salaries or provide funding for salary enhancement. The only funding appropriated for the program has been to provide stipends to experienced administrators that mentor new administrators. That funding began at \$250,000 in FY 2008 and decreased to a low of \$195,000 in FY 2011. The program received no State appropriation in FY 2012.

<u>National Salary Comparisons</u> – According to the Educational Research Service's (ERS) National Survey of Salaries and Wages in Public Schools,<sup>2</sup> the average salary for superintendents nationally was \$161,992 in FY 2011, while Iowa's average superintendent salary was \$117,320.

The same ERS survey reported FY 2011 national average salaries for elementary, middle, and high school principals of \$89,891, \$95,426, and \$102,191, respectively. Iowa's average principal salaries in FY 2009 were \$84,736, \$88,579, and \$86,836, respectively. The Iowa statistics exclude the salaries of principals of alternative schools, charter schools, or other types of learning centers that aren't classified as elementary, middle school, or high school. It is not clear how these positions were handled in the ERS survey. When those positions are included, the overall average principal salary in Iowa in FY 2011 was \$86,118.

<sup>&</sup>lt;sup>2</sup> Educational Research Service, National Survey of Salaries and Wages in Public Schools (<u>http://www.census.gov/compendia/statab/2012/tables/12s0259.pdf</u>).

In FY 2011, Iowa's average teacher salary was \$49,844, compared to a national average of \$55,623, ranking the state 25th in the nation for teacher salaries according to the National Education Association.<sup>3</sup>

	lowa Average		National Average	lowa vs. National					
Superintendent	\$	117,320	\$161,992	-27.6%					
Principal - High School	\$	86,836	\$102,191	-15.0%					
Principal - Middle School	\$	88,579	\$ 95,426	-7.2%					
Principal - Elementary	\$	84,736	\$ 89,891	-5.7%					
Teacher	\$	49,844	\$ 55,623	-10.4%					
Sources: low a Department of Education, Basic Educational Data Survey (BEDS), Staff File									
Educational Research Service, Schools	Natio	onal Survey o	f Salaries and V	Vages in Public					
National Education Association, School Statistics 2011	, Ran	king of the St	ates 2010 and E	Estimates of					

Table 1
Comparison of Iowa and National Average Salaries – FY 2011

## DATA SOURCES AND CONSIDERATIONS

For purposes of the following lowa salary comparisons in this report, only full-time employees of public school districts were considered. Full-time is defined as an employee earning at least the minimum regular salary established for a particular fiscal year and working at least 180 contract days. The job classifications of teacher, superintendent, and nonsuperintendent administrator were determined by each employee's position codes in the Licensed Staff File of the Department of Education's Basic Educational Data Survey. Nonsuperintendent administrator includes assistant superintendents, principals, assistant principals, special education directors, Area Education Agency regional/zone coordinators, supervisors, and others that perform administrative duties.

Many employees have multiple assignments, resulting in multiple position codes in the staff file. For purposes of this report, any employee with a superintendent position code is included only in the calculation of average superintendent salaries. Any other employees with at least one administrative position code were included only in the calculation of average administrator salaries. The calculation of average teacher salaries includes only teachers that have no administrative assignments.

The salaries cited include only regular salary, without professional development funding or benefits.

<sup>&</sup>lt;sup>3</sup> Rankings of the States 2011 and Estimates of School Statistics 2012, NEA (<u>http://www.nea.org/assets/docs/NEA\_Rankings\_And\_Estimates\_FINAL\_20120209.pdf</u>).

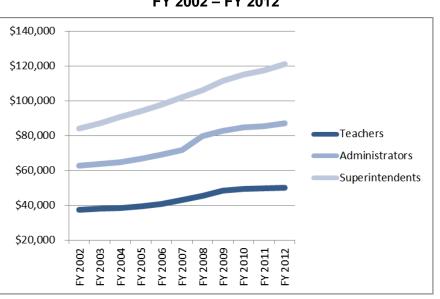
#### **IOWA SALARY COMPARISONS**

In FY 2002, the average teacher salary was \$37,240. The average salary for nonsuperintendent administrators of \$62,740 was 68.5% higher than for teachers. For superintendents, the average salary of \$84,148 was 34.1% higher than for other administrators and 126.0% higher than the average teacher salary.

By comparison, in FY 2012, the average teacher salary in Iowa was \$50,116. For nonsuperintendent administrators, the average salary was \$86,900, 73.4% higher than the average teacher salary. For superintendents, the average salary was \$120,984, 39.2% higher than for other administrators and 141.4% higher than the average teacher salary.

One factor that may have affected salaries of superintendents over the past 10 years is the consolidation of districts and increased sharing of superintendents between districts. There were 20 fewer districts in FY 2012 than in FY 2002 due to consolidations. The number of superintendents decreased by 27 (8.3%), from 327 in FY 2002 to 300 in FY 2012. The number of other administrators remained relatively unchanged, while the number of teachers increased by 576 (1.7%).

**Chart 1** shows the growth in average lowa salaries between FY 2002 and FY 2012 and demonstrates the widening disparity between the three groups.





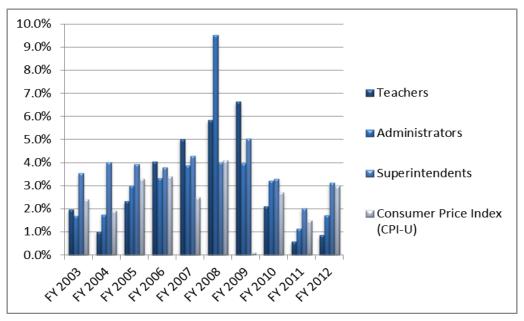
FY 2002 – FY 2012

**Chart 2**<sup>4</sup> (on the following page) shows the annual percentage increases for Iowa for the three groups from FY 2002 through FY 2012 and compares to the annual increase in the Consumer Price Index.

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<sup>&</sup>lt;sup>4</sup> The percentage in **Chart 2** for administrators in FY 2008 may result from a change in the organization of administrative position codes in the staff file.

Chart 2 Annual Percentage Increases in Average Iowa Full-Time Salaries FY 2002 – FY 2012



Between FY 2002 and FY 2012, the average teacher salary increased 34.6%, the average salary for nonsuperintendent administrators increased 38.5%, and the average superintendent salary increased 43.8%.

**Table 1<sup>5</sup>** provides annual data on average salaries for teachers, superintendents, and other administrators from FY 2002 through FY 2012.

Table 1
Average Regular Salary of Full-Time Iowa Public PK-12 Teachers and Administrators
FY 2002 – FY 2012

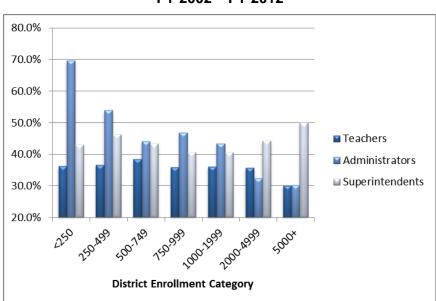
		Teach	ners	Other Ad	ministrators	Superintendents		
	Av	Avg Salary % Change		Avg Salary % Chang		Avg Salary	% Change	
FY 2002	\$	37,240		\$ 62,740	)	\$ 84,148		
FY 2003		37,976	1.97%	63,662	2 1.47%	87,124	3.54%	
FY 2004		38,358	1.01%	64,744	1.70%	90,608	4.00%	
FY 2005		39,248	2.32%	66,632	2.92%	94,163	3.92%	
FY 2006		40,835	4.04%	68,893	3.39%	97,725	3.78%	
FY 2007		42,880	5.01%	71,555	5 3.87%	101,902	4.27%	
FY 2008		45,379	5.83%	79,611	11.26%	105,986	4.01%	
FY 2009		48,390	6.64%	82,770	) 3.97%	111,333	5.05%	
FY 2010		49,407	2.10%	84,693	3 2.32%	115,006	3.30%	
FY 2011		49,691	0.58%	85,428	0.87%	117,320	2.01%	
FY 2012		50,116	0.85%	86,900	) 1.72%	120,984	3.12%	
Ten-Year T	otal %	Change	34.57%		38.51%		43.78%	
Average Ar	nnual <sup>o</sup>	% Change	3.01%		3.31%		3.70%	

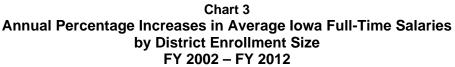
<sup>&</sup>lt;sup>5</sup> The percentage in Table 1 for administrators in FY 2008 may result from a change in the organization of administrative position codes in the staff file.

#### IOWA SALARY COMPARISONS BY ENROLLMENT SIZE

Between FY 2002 and FY 2012, the average teacher salary increased by 36.2% in Iowa's smallest districts (less than 250 students) and by 30.1% in the largest districts (5,000 students or more). For nonsuperintendent administrators, the percentage increases for the smallest and largest districts were 69.7% and 30.3%, respectively. The large percentage increase for the smallest districts may result, in part, from greater sharing of administrators, leading to fewer administrators at higher salaries. For superintendents, the increases for the smallest and largest districts were 43.1% and 49.9%, respectively.

**Chart 3** shows the annual percentage growth in average salary by district enrollment size for the three groups for FY 2002 through FY 2012.





Attached to this report are detailed tables showing the average annual salaries for the three job classifications by district enrollment size from FY 2002 through FY 2012. The gap between superintendent salaries and teacher and administrator salaries is greater and increasing in districts with enrollment of 1,000 or greater. In smaller districts, the salaries for all three groups generally grew at similar rates until FY 2008, when the growth in teacher salaries began falling behind the other two groups. This may be, in part, the result of an increase in sharing of superintendents and other administrators, leading to fewer of these staff at higher salaries.

#### **SUMMARY**

Since FY 2002 and the beginning of the Student Achievement and Teacher Quality Program, with emphasis on State funding to improve teacher pay, the average teacher salary has grown 34.6%. During the same 10 years, the average salaries of superintendents and other administrators have grown by greater percentages (43.8% and 38.5%, respectively), although no State funding was directed specifically toward this purpose. Between calendar years 2002 and 2010 (the latest available), the National Average Wage Index reflected an increase of

25.3%.<sup>6</sup> (The Index is based on data collected by the U.S. Social Security Administration regarding wages subject to federal income tax and contributions to deferred compensation plans.)

Salaries for lowa superintendents have improved at a greater rate than those for other administrators and teachers, on average. This may, at least in part, be a result of the decrease in the number of school districts due to consolidations and an increase in sharing of superintendents between districts.

While having shown the most improvement over 10 years, Iowa's average superintendent salary fell farthest below the FY 2011 national average (-27.6%), as shown in **Table 1**. Iowa's average high school principal salary was 15.0% below the national average, and the average teacher salary was 10.4% below.

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<sup>&</sup>lt;sup>6</sup> U.S. Social Security Administration Average Wage Index - <u>http://www.ssa.gov/oact/cola/awidevelop.html</u>

## Average Salary for Full-Time Public PK-12 Teachers in Iowa By District Enrollment Category FY 2002 - FY 2012

	Enrollment <250			Enrollment 250-499			Enrollment 500-749			Enrollment 750-999		
	Avg.	%	# of	Avg.	%	# of	Avg.	%	# of	Avg.	%	# of
	Salary	Change	Districts	Salary	Change	Districts	Salary	Change	Districts	Salary	Change	Districts
FY 2002	\$29,358		29	\$31,625		84	\$33,346		92	\$34,489		51
FY 2003	30,063	2.40%	31	32,321	2.20%	82	34,113	2.30%	95	35,285	2.31%	51
FY 2004	30,331	0.89%	30	32,669	1.08%	92	34,948	2.45%	89	35,673	1.10%	46
FY 2005	31,318	3.25%	30	33,366	2.13%	88	35,772	2.36%	91	36,532	2.41%	46
FY 2006	32,542	3.91%	32	34,623	3.77%	84	37,104	3.72%	99	38,024	4.08%	36
FY 2007	34,107	4.81%	31	36,440	5.25%	87	39,111	5.41%	99	40,173	5.65%	36
FY 2008	36,218	6.19%	34	38,645	6.05%	90	41,647	6.48%	95	42,656	6.18%	33
FY 2009	38,622	6.64%	35	41,534	7.48%	93	44,814	7.60%	89	45,962	7.75%	35
FY 2010	39,565	2.44%	38	42,396	2.07%	89	45,345	1.19%	89	46,258	0.65%	37
FY 2011	39,860	0.75%	36	42,556	0.38%	95	45,936	1.30%	86	46,399	0.30%	32
FY 2012	39,999	0.35%	35	43,185	1.48%	86	46,170	0.51%	89	46,883	1.04%	33
10-Year Change	10,642	36.2%		11,561	36.6%		12,824	38.5%		12,394	35.9%	
Avg Annual Change		3.14%			3.16%			3.31%			3.12%	

	Enrol	lment 1000	-1999	Enrol	Iment 2000	-4999	Enrollment 5000+			
	Avg.	%	# of	Avg.	%	# of	Avg.	%	# of	
	Salary	Change	Districts	Salary	Change	Districts	Salary	Change	Districts	
FY 2002	\$36,283		71	\$38,476		30	\$41,279		14	
FY 2003	37,210	2.56%	68	39,264	2.05%	31	41,895	1.49%	13	
FY 2004	37,641	1.16%	69	39,696	1.10%	31	42,078	0.44%	13	
FY 2005	38,668	2.73%	69	40,477	1.97%	29	42,964	2.11%	14	
FY 2006	40,340	4.32%	71	41,998	3.76%	28	44,550	3.69%	15	
FY 2007	42,302	4.86%	69	44,582	6.15%	27	46,315	3.96%	16	
FY 2008	44,783	5.87%	70	47,250	5.99%	26	48,827	5.43%	16	
FY 2009	47,549	6.18%	68	50,464	6.80%	26	51,830	6.15%	16	
FY 2010	48,572	2.15%	66	51,499	2.05%	26	53,155	2.56%	16	
FY 2011	48,843	0.56%	68	51,960	0.89%	26	53,410	0.48%	16	
FY 2012	49,406	1.15%	66	52,214	0.49%	26	53,717	0.57%	16	
10-Year Change	13,123	36.2%		13,738	35.7%		12,438	30.1%		
Avg Annual Change		3.14%			3.10%			2.67%		

Source: Iowa Department of Education, Basic Educational Data Survey (BEDS), Staff File

## Average Salary for School Administrators (excluding Superintendents) in Iowa By District Enrollment Category FY 2002 - FY 2012

	Enrollment <250			Enrollment 250-499			Enrollment 500-749			Enrollment 750-999		
	Avg.	%	# of	Avg.	%	# of	Avg.	%	# of	Avg.	%	# of
	Salary	Change	Districts	Salary	Change	Districts	Salary	Change	Districts	Salary	Change	Districts
FY 2002	\$43,812		29	\$50,814		84	\$54,567		92	\$56,192		51
FY 2003	45,075	2.88%	31	52,397	3.12%	82	56,017	2.66%	95	57,875	3.00%	51
FY 2004	45,145	0.16%	30	52,700	0.58%	92	56,753	1.31%	89	58,797	1.59%	46
FY 2005	50,177	11.15%	30	54,654	3.71%	88	58,166	2.49%	91	61,145	3.99%	46
FY 2006	52,589	4.81%	32	56,573	3.51%	84	58,362	0.34%	99	63,831	4.39%	36
FY 2007	58,324	10.91%	31	58,067	2.64%	87	60,592	3.82%	99	67,744	6.13%	36
FY 2008	62,722	7.54%	34	65,354	12.55%	90	70,447	16.26%	95	74,140	9.44%	33
FY 2009	64,387	2.66%	35	67,930	3.94%	93	72,828	3.38%	89	76,645	3.38%	35
FY 2010	68,858	6.94%	38	71,638	5.46%	89	74,705	2.58%	89	79,827	4.15%	37
FY 2011	72,895	5.86%	36	75,885	5.93%	95	77,545	3.80%	86	80,405	0.72%	32
FY 2012	74,348	1.99%	35	78,233	3.09%	86	78,620	1.39%	89	82,565	2.69%	33
Ten-Year Change	30,535	69.7%		27,419	54.0%		24,053	44.1%		26,373	46.9%	
Avg Annual Change		5.43%			4.41%			3.72%			3.92%	

	Enrollment 1000-1999			Enrol	Iment 2000	-4999	Enrollment 5000+			
	Avg.	%	# of	Avg.	%	# of	Avg.	%	# of	
	Salary	Change	Districts	Salary	Change	Districts	Salary	Change	Districts	
FY 2002	\$58,024		71	\$68,469		30	\$72,101		14	
FY 2003	57,913	-0.19%	68	69,315	1.24%	31	73,122	1.42%	13	
FY 2004	58,386	0.82%	69	71,375	2.97%	31	75,080	2.68%	13	
FY 2005	61,727	5.72%	69	74,289	4.08%	29	76,278	1.60%	14	
FY 2006	63,644	3.11%	71	76,917	3.54%	28	79,487	4.21%	15	
FY 2007	65,537	2.97%	69	80,230	4.31%	27	81,786	2.89%	16	
FY 2008	76,924	17.37%	70	84,372	5.16%	26	86,787	6.12%	16	
FY 2009	80,571	4.74%	68	87,644	3.88%	26	90,200	3.93%	16	
FY 2010	81,244	0.83%	66	89,829	2.49%	26	92,022	2.02%	16	
FY 2011	81,640	0.49%	68	89,012	-0.91%	26	93,465	1.57%	16	
FY 2012	83,218	1.93%	66	90,651	1.84%	26	93,941	0.51%	16	
Ten-Year Change	25,194	43.4%		22,182	32.4%		21,841	30.3%		
Avg Annual Change		3.67%			2.85%			2.68%		

Source: Iowa Department of Education, Basic Educational Data Survey (BEDS), Staff File

## Average Salary for Full-Time Public PK-12 Superintendents in Iowa By District Enrollment Category FY 2002 - FY 2012

	Enrollment <250		Enro	Enrollment 250-499			Enrollment 500-749			Enrollment 750-999		
	Avg.	%	# of	Avg.	%	# of	Avg.	%	# of	Avg.	%	# of
	Salary	Change	Districts	Salary	Change	Districts	Salary	Change	Districts	Salary	Change	Districts
FY 2002	\$62,453		29	\$ 73,021		84	\$ 77,816		92	\$83,720		51
FY 2003	63,406	1.52%	31	76,636	4.95%	82	81,641	4.92%	95	87,415	4.41%	51
FY 2004	69,199	9.14%	30	79,109	3.23%	92	85,274	4.45%	89	90,301	3.30%	46
FY 2005	71,991	4.03%	30	81,065	2.47%	88	87,160	2.21%	91	94,443	4.59%	46
FY 2006	71,819	-0.24%	32	83,436	2.93%	84	91,236	4.68%	99	97,034	2.74%	36
FY 2007	76,318	6.26%	31	87,722	5.14%	87	95,014	4.14%	99	99,030	2.06%	36
FY 2008	79,172	3.74%	34	91,775	4.62%	90	98,534	3.70%	95	103,490	4.50%	33
FY 2009	84,074	6.19%	35	96,703	5.37%	93	104,095	5.64%	89	107,868	4.23%	35
FY 2010	88,257	4.98%	38	98,450	1.81%	89	106,843	2.64%	89	111,904	3.74%	37
FY 2011	89,143	1.00%	36	104,043	5.68%	95	108,475	1.53%	86	111,923	0.02%	32
FY 2012	89,383	0.27%	35	106,811	2.66%	86	111,644	2.92%	89	117,776	5.23%	33
Ten-Year Change	26,929	43.1%		33,790	46.3%		33,828	43.5%		34,056	40.7%	
Avg Annual Change		3.65%			3.88%			3.68%			3.47%	

	Enrol	Iment 1000	-1999	Enroll	Enrollment 2000-4999			Enrollment 5000+		
	Avg.	%	# of	Avg.	%	# of	Avg.	%	# of	
	Salary	Change	Districts	Salary	Change	Districts	Salary	Change	Districts	
FY 2002	\$91,245		71	\$105,106		30	\$124,574		14	
FY 2003	94,433	3.49%	68	108,275	3.01%	31	127,429	2.29%	13	
FY 2004	98,329	4.13%	69	112,968	4.33%	31	126,191	-0.97%	13	
FY 2005	101,702	3.43%	69	119,641	5.91%	29	136,030	7.80%	14	
FY 2006	105,611	3.84%	71	121,463	1.52%	28	143,308	5.35%	15	
FY 2007	110,352	4.49%	69	128,947	6.16%	27	153,300	6.97%	16	
FY 2008	113,401	2.76%	70	134,133	4.02%	26	165,816	8.16%	16	
FY 2009	118,516	4.51%	68	140,252	4.56%	26	177,751	7.20%	16	
FY 2010	123,540	4.24%	66	145,791	3.95%	26	180,925	1.79%	16	
FY 2011	123,895	0.29%	68	146,389	0.41%	26	183,148	1.23%	16	
FY 2012	128,265	3.53%	66	151,596	3.56%	26	186,739	1.96%	16	
Ten-Year Change	37,020	40.6%		46,489	44.2%		62,164	49.9%		
Avg Annual Change		3.46%			3.73%			4.13%		

Source: Iowa Department of Education, Basic Educational Data Survey (BEDS), Staff File

## Growth in Average Salaries for Iowa Teachers, Administrators, and Superintendents by District Enrollment Size FY 2002 – FY 2012

