



**Justin P. Wilson, Comptroller**

April 30, 2019

## **Comptroller's Office Studies Teacher Salaries In Tennessee**

The Tennessee Comptroller's Office has released a report examining how money intended to boost teacher salaries has been used by local school districts. More than \$300 million in new, recurring state dollars was appropriated by the General Assembly through the state's Basic Education Program (BEP) between fiscal years 2016 and 2018. The legislative intent for the increased state funding was to increase teacher salaries across Tennessee.

The Comptroller's Office of Research and Education Accountability (OREA) surveyed Tennessee's school districts, and the majority of respondents reported awarding salary increases to teachers for three consecutive years (fiscal years 2016, 2017, and 2018). Those pay raises resulted in an increase of Tennessee's average classroom teacher salary of 6.2 percent (just under \$3,000), making it the third fastest-growing state in the Southeast for teacher salaries during fiscal years 2015 through 2018. In addition to providing raises, districts also used increased state BEP instructional salaries funds to hire more instructional staff.

OREA found that while total local revenue budgeted for school districts increased at about the same rate as BEP state revenue, salary expenditures (whether for new hires or raises) could not be linked back to their revenue source, either state or local. District budgets do not identify what portion of expenditures are paid with state funds versus local funds.

The state's main lever for increasing state funding for salaries – the BEP formula's salary unit cost figure – is not directly linked to pay raises for every teacher. The increased funding generated through the salary unit cost is applied only to BEP-calculated positions; most districts fund additional positions. Because districts employ more staff than are covered by BEP funding, the available state and local dollars earmarked for salaries must stretch over more teachers than the staff positions generated by the BEP.

OREA examined district expenditures and found that, statewide, districts increased spending for instructional salaries and health insurance by about 9 percent while spending on retirement increased about 8 percent. At the individual district level, the growth in salary expenditures varied, from a decrease of 10 percent to an increase of over 26 percent.

The Comptroller's report includes policy considerations addressing how the state may wish to implement an in-depth salary survey of selected districts to periodically obtain a more complete picture of district salary trends, as well as develop a process to determine which districts are eligible for a separate state allocation of salary equity funding, intended to raise teacher salaries in select districts with lower-than-average salaries.

To read the Comptroller's report, please visit <https://www.comptroller.tn.gov/OREA/>

Media contact: John Dunn, Director of Communications, 615.401.7755 or [john.dunn@cot.tn.gov](mailto:john.dunn@cot.tn.gov)

