

PROBLEM

- Nebraska fell from 38th to 43rd in the nation in average salary for teachers in just one year. We are back in the Bottom 10.
- Iowa recently passed a \$145 million teacher quality law that will increase the average salary for Iowa teachers by \$5,400 over the next two years. This, along with competitive salary increases negotiated at the local level, will bring Iowa teaching salaries up to 25th in the nation by September 2008.
- Wyoming has also invested state dollars to increase salaries in that state by \$8,000 over the past two years. Seventeen of Wyoming's 49 school districts have starting salaries of \$40,000 or more. Wyoming will rank around 21st in the country in average teacher salary for the 2007-08 school year.

SOLUTION

- LB1100 proposes the Quality Education Trust Act – a comprehensive approach for maintaining the quality of education in Nebraska through a strong and competitive teaching force.
- Long-term: To recruit and retain excellent teachers in this competitive market, LB1100 creates an Education Trust Fund by setting aside \$200 million from the state's revenue surplus. Only the interest from the Trust Fund would be used to enhance teacher salaries – the principal would remain untouched.
- Mid-term: LB1100 provides incentives for local schools and teachers to develop a pilot program for alternative compensation schedules, including factors based on teacher skills, knowledge and student performance.
- Near-term: LB1100 provides a supplemental boost in compensation of approximately \$2,000 for each full time teacher to enable Nebraska schools to remain competitive with school districts in surrounding states.
- A majority of Nebraskans surveyed support the creation of an Education Trust Fund to support increasing teacher salaries (76 percent favor - May 2007, Myers Research).
- A majority of Nebraskans surveyed support increasing teacher pay in Nebraska to the national average so Nebraska can attract and retain quality teachers. (77 percent favor-May 2007, Myers Research).

Nebraska Teacher Salaries – Quick Facts

- **Average Salaries:** Nebraska ranked 43rd nationally in teachers' average salary: \$40,382 vs. \$49,134 (For the 2005-06 school year, the most currently available national ranking data). Nebraska lags the national average by nearly \$9,000.
- **Competition for teachers with neighbor states:** Nebraska is losing ground: The 2.3 percent increase in average salaries for the most recently available year (2005-06) trails the national average salary increase of 3.06 percent, the 6.8 percent increase in Wyoming; the 5.4 percent increase in Kansas; and the 4.6 percent increase in Iowa. The result is the loss of both beginning and veteran teachers to our neighboring states.
- **Starting Salaries:** Nebraska ranked 47th in beginning teacher salaries for the 2005-06 school year: \$25,328 vs. \$32,136.
- **Salary gap compared to other professionals:** Teachers make 14.1 percent less than college graduates doing work that requires similar skills levels. That is an annual wage gap of \$6,739: \$41,225 for teachers and \$47,964 for comparable professionals. The study was done by the Economic Policy Institute using Bureau of Labor Statistics data.
- **State support of teacher salaries:** Two-thirds of the funding for teacher salaries and compensation comes from local sources, primarily property taxes. The State of Nebraska provides no specific funding dedicated to teacher compensation.
- **State aid for public schools:** The State of Nebraska provides less than one-third of the total revenues needed to fund public schools. Nebraska ranks last in the nation - 50th -in the percent of state revenue supporting public schools. Nationally, 47 percent of the funding for public schools comes from state government revenues. *(Note: The most recently available national ranking figures are for school year 2004-05. Recent increases in aid and repeal of temporary aid adjustment will move Nebraska up in the ranks.)*
- **Teacher attrition and mobility:** Forty-six percent of new teachers leave teaching within five years. Among school teachers younger than 30, fifteen percent move to another school and another nine percent left teaching. Twenty percent of new teachers left teaching after one year. (2004 NCES survey)
- **Midwest cost of living adjustment:** Research suggests that the cost of living is lower in some parts of Nebraska and the Midwest. Adjusting average salaries for regional cost of living based on an index published by the Council for Community and Economic Research, Nebraska average salaries are still more than \$5,500 below the national average.
- **Student Achievement:** Nebraska ranks in the Top 10 in the nation in student achievement (SAT, ACT, and NAEP scores). On the NAEP, for example, Nebraska's reading scores ranked in the Top 10 nationally. Only nine states scored significantly higher than Nebraska at the fourth grade. Only eight states scored significantly higher than Nebraska at the eighth grade.