Title I-A Set-Asides: Salary Equalization

What is Salary Equalization?

Salary Equalization establishes equity in funding between Title I-A funded schools. It is designed to take into account school-by-school variations in personnel costs, such as seniority-pay differentials or fringe benefit differentials. It is intended to address situations where similar per-child amounts would result in different levels of service because the salary and benefit costs of Title I-A staff at one school are higher for the equivalent staff at another Title I-A school. Salary equalization is allowable for paraprofessionals as well as teachers.

NOTE: Salary Equalization does not imply an equal number of staff positions in each Title I-A building.

How does Salary Equalization work?

When a district chooses **not** to use salary equalization, all costs for salary and benefits are paid from each school's allocation as illustrated below:

Personnel Costs	**School A**	**School B**	**School C**
Salary for 1.0 FTE	$52,000	$39,000	$43,000
Benefits for 1.0 FTE	$21,000	$18,500	$20,000
Total allocated to personnel costs	**$73,000**	**$57,500**	**$63,000**

RESULT: School A and School C have fewer funds remaining to spend on other program activities.

Using Salary Equalization, the school district may budget **a portion of salary costs at the district level**. This results in all schools paying for a base amount of salary.

Personnel Costs	**School A**	**School B**	**School C**
Base Salary for 1.0 FTE	$39,000	$39,000	$39,000
Base Benefits for 1.0 FTE	$18,500	$18,500	$18,500
School funds allocated to personnel costs (Budget Narrative)	**$57,500**	**$57,500**	**$57,500**
District funds allocated to personnel costs (Salary Equalization Set Aside)	**$15,500**	**$0**	**$5,500**

RESULT: All schools spend the same amount on salary.

How is the Salary Equalization set-aside calculated?

Step 1: Determine a base salary and benefits. Often, this is the lowest paid FTE for a specific position within the district's Title I-A funded schools. Using the example above, base salary and benefits is **$57,500**.

Step 2: Determine <u>total base salary</u> costs. Multiply the base salary cost for the position by the number of Title I-A funded staff in that position. Using our example the total base salary costs would be $57,500*3 = **$172,500**.

Step 3: **Determine actual personnel costs.** Total the costs for all Title I-A funded salaries and benefits for the specific position being equalized. In our example, adding the costs for School A ($73,000) + School B ($57,500) + School C ($63,000) = **Total $193,500**

Step 4: Determine the Salary Equalization set-aside. Subtract the total base salary costs from the total personnel costs to identify the portion to be paid through the district set-aside and include this total in the Salary Equalization set-aside within the CIP Budget Narrative. In our example, $193,500 -$172,500 = **$21,000**.

Step 5: Document salary costs paid by each school. Include the base salary and benefits for personnel costs in each school's line item on the **Budget Narrative page**. In our example this would be $57,500.