

Title I-A Set-Asides: Salary Equalization

What is Salary Equalization?

Salary Equalization allows districts to take into account school-by-school variations in personnel costs, such as seniority-pay differentials or fringe benefit differentials. This process establishes equity in funding between **Title I-A funded schools**. Salary equalization is allowable for paraprofessionals as well as teachers.

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 of the Title I budget. This results in all three schools paying for a base amount of salary, and having an equitable amount of remaining funds for other activities.

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
Total allocated to personnel costs	\$57,500	\$57,500	\$57,500

RESULT: All schools spend the same amount on salary.

How is the Salary Equalization set-aside determined?

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 from above, teacher base salary and benefits for this district is \$57,500.

Multiply the base salary costs by the number of Title I-A funded teachers ($\$57,500 \times 3 = \mathbf{\$172,500}$)

Step 2: Total the costs for all Title I-A funded salaries and benefits for the specific position. School A \$73,000 + School B \$57,500 + School C \$63,000 = **Total \$193,500**

Step 3: Take the total from Step 1 and subtract it from the total in Step 2 to get the difference ($\$193,500 - \$172,500 = \mathbf{\$21,000}$). This would be the amount placed in the Salary Equalization section of the set-aside page within the CIP Budget Narrative.

Step 4: Include \$57,500 (the base salary and benefits) for personnel costs in each school's budget narrative.