

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.

PLEASE NOTE: Salary equalization is allowable for paraprofessionals as well as teachers and 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 Title I-A allocation as shown in the chart below.

*This chart shows that schools A, B, and C each have two teachers whose salaries and benefits are paid out of Title I-A funds. **Without Salary Equalization**, School A must budget \$29,000 more in personnel costs than School B, and \$17,000 more than School C, even though all three schools employ the same number of staff doing the same classification of work.*

Actual Personnel Costs	School A	School B	School C
Salary for Teacher 1 (1.0 FTE)	\$52,000	\$39,000	\$43,000
Benefits for Teacher 1 (1.0 FTE)	\$21,000	\$18,500	\$20,000
Salary for Teacher 2 (.5 FTE)	\$30,000	\$20,000	\$25,000
Benefits for Teacher 2 (.5 FTE)	\$15,000	\$11,500	\$13,000
Total allocated to personnel costs	\$118,000	\$89,000	\$101,000

Salary Equalization allows the school district to budget a portion of personnel costs at the district level. This results in each school budgeting the same dollar amount for the same number of personnel at the same classification. The remaining salary and benefits are paid at the district level through the set-aside.

*This chart shows that **with Salary Equalization**, schools A, B, and C will each pay a total of \$86,250 from their school-level Title I-A allocation for personnel costs. The remaining costs will be paid out of the district set-aside.*

Equalized Personnel Costs	School A	School B	School C
Base Salary for (1.0 FTE)	\$39,000	\$39,000	\$39,000
Base Benefits (1.0 FTE)	\$18,500	\$18,500	\$18,500
Base Salary (.5 FTE)	\$19,500	\$19,500	\$19,500
Base Benefits (.5 FTE)	\$9,250	\$9,250	\$9,250
School funds allocated to personnel costs	\$86,250	\$86,250	\$86,250
District funds needed for Salary Equalization	\$31,750	\$2,750	\$14,750

How is the Salary Equalization Set-Aside calculated?

Step 1: Determine a base salary and benefits for position(s) being equalized. Often, this is the lowest paid FTE for a specific position within the district's Title I-A funded schools.

Step 2: Determine total base salary and benefits costs for each school. For each school, multiply the base salary cost for the position by the number of Title I-A funded staff in that position at that school.

Total base salary and benefits costs = (base salary cost for the position) x (# of Title I-A staff in that position at the school)

Step 3: Determine total actual personnel costs for each school. Total the costs for all Title I-A funded salaries and benefits for the specific position(s) being equalized at the school. This information can be provided by HR.

Actual personnel costs = (Title I-A salary and benefits for position 1) + (Title I-A salary and benefits for position 2, etc.)

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Step 4: Determine the Salary Equalization set-aside. For each school, subtract the total base salary and benefit costs (see Step 2) from the actual personnel costs (see Step 3) to identify the portion of costs to be paid through the district set-aside.

$$\text{Salary Equalization set-aside} = (\text{actual personnel costs}) - (\text{total base salary and benefit costs})$$

How is the Salary Equalization Set-Aside documented in the Title I-A narrative?

- **For the portion of costs to be paid by the district**, include the costs, by school (from Step 4) in the Salary Equalization set-aside within the Title I-A CIP Budget Narrative.
- **Document salary costs paid by each school** (from Step 2) **for all positions being funded** within each school's line item on the Budget Narrative page.

Example Scenario

Sylvan School District has two Title I-A funded schools, Oak Elementary and Walnut Elementary.

- Oak Elementary funds 1 teacher and 3 paraprofessionals with I-A funds.
- Walnut Elementary funds 1 teacher and 1.5 paraprofessionals with I-A funds.

Step 1: Determine a base salary and benefits. The base salary and benefits in Sylvan School District are \$51,000 for teachers and \$36,000 for paraprofessionals (para).

Step 2: Determine total base salary and benefits costs for each school.

- *Oak Elementary*
 - Total Base Teacher costs: (1 teacher) x (\$51,000 teacher base salary) = \$51,000
 - Base Para costs: (3 paras) x (\$36,000 para base salary) = \$108,000
 - **Total Base personnel costs: (\$51,000 total teacher) + (\$108,000 total para) = \$159,000**
- *Walnut Elementary*
 - Base Teacher costs: (1 teacher) x (\$51,000 teacher base salary) = \$51,000
 - Base Para costs: (1.5 paras) x (\$36,000 para base salary) = \$54,000
 - **Total Base personnel costs: (\$51,000 total teacher) + (\$54,000 total para) = \$105,000**

Step 3: Determine actual personnel costs for each school.

- *Oak Elementary*
 - Actual Teacher costs: \$63,000
 - Actual Para costs: (\$36,000 para 1) + (\$38,000 para 2) + (\$42,000 para 3) = \$116,000
 - **Total actual personnel costs: (\$63,000 actual teacher) + (\$116,000 actual paras) = \$179,000**
- *Walnut Elementary*
 - Actual Teacher costs: \$50,000
 - Actual Para costs: (\$40,000 para 1) + (\$24,000 0.5 para 2) = \$64,000
 - **Total actual personnel costs: (\$50,000 actual teacher) + (\$64,000 actual para) = \$114,000**

Step 4: Determine the Salary Equalization set-aside, and document on Set-Aside page.

- *Set-aside for Oak Elementary*
 - (\$179,000 actual personnel costs) – (\$159,000 base personnel costs) = \$20,000 in set-aside costs
- *Set-aside for Walnut Elementary*
 - (\$114,000 actual personnel costs) – (\$105,000 base personnel costs) = \$9,000 in set-aside costs

Step 5: Document school funds allocated to base personnel costs on Budget Narrative page (from Step 2).

- *Oak Elementary* – \$159,000
- *Walnut Elementary* - \$105,000