



Legislative Bulletin

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The Tangled Web of State Mandates, Teacher Pay and the MFP

The teacher pay raise issue has been on the agenda of several legislative committees, as well as the legislative leadership and administration this session. In addition to looking for new money for teacher pay raises, some legislators have also been looking for ways to redirect existing dollars to teacher pay and to eliminate state mandates that might restrict local school system flexibility.

Mandates

Among the mandates that have attracted the most attention are "Gayle pay" and rest and recuperation sabbatical leaves--both of which PAR has recommended eliminating. Both legislators and local school system officials have also raised concerns about the mandates associated with special education and the rising costs of that program. In addition, there are a number of other state mandates, including the state salary schedule for school bus drivers, which bear scrutiny.

"Gayle pay" refers to the unlimited sick leave teachers now receive as a result of two court decisions. Under the law teachers are entitled to 10 days' sick leave a year (and more if injured while on duty), but the courts have ruled that if a teacher uses more than the days allowed by law, that his or her pay can only be reduced by the amount the local school system has to pay a substitute. The teacher doesn't have to request the additional leave and the school board cannot deny it.

Under Louisiana law, a teacher is eligible for a rest and recuperation sabbatical leave of one semester for every three years of consecutive service or two semesters of leave for six consecutive years of service. To qualify, the teacher must have letters from two doctors certifying that the health of the applicant is such that granting such leave would be proper and justifiable. A local school system must grant the leave unless five percent of its eligible personnel are on sabbatical.

Teacher Pay Raises

When Governor Foster campaigned for office, he promised to raise teacher pay to the southern regional average. During his first two years in office, about \$140 million in new money was provided for this purpose. However, teacher pay is still estimated to be about \$4,000 below the southern average which is a moving target.

The governor did not include funds for an additional pay raise in the proposed 1998-99 budget, but he expressed hope that additional funds would materialize for a teacher pay raise when revenue estimates for 1998-99 were revised.

There are some, including the state's teacher unions, who want any pay raise to also include school support workers and others. A 1997 PAR study, "School Employee Pay: How It Stacks Up," showed that the average hourly pay of most school support workers in Louisiana already compares favorably

with their counterparts in districts in other southern states surveyed by PAR as well that of their counterparts in the private sector in Louisiana.

Last week, after the Revenue Estimating Conference raised revenue estimates for 1998-99 by \$77.3 million, the House Appropriations Committee voted to commit \$35 million of the new found money to classroom teacher pay. In addition, the legislative leadership, the administration and representatives of the State Board of Elementary and Secondary Education (BESE) agreed that \$35 million of the \$71 million increase already budgeted for the MFP should go toward teacher pay raises. This would bring the total available for teacher pay raises in 1998-99 to \$70 million.

However, several alternative plans are also being discussed which would deal not only with committing a greater percentage of the new MFP dollars to teacher pay but also a greater percentage of state and local revenues as well. One of these alternative proposals was actually approved as an amendment to the General Appropriations Bill on the House floor, but was later removed at the urging of the administration. Additional attempts to redirect more dollars to teacher pay can be expected as the bill moves through the Senate.

The MFP Connection

These plans, as well as other attempts to get local school systems to spend more on teacher salaries, although well intentioned, run counter to the philosophy of the new MFP that the Legislature adopted in 1992 but has yet to fully fund. Under that formula, the state was to move away from telling local school systems how to spend education dollars, and instead hold them accountable for results. In addition, the new formula was to equitably distribute state funds to insure the cost of a minimum education for all students in the state whether they live in a rich parish or a poor parish. To achieve this, more state funding was to go to parishes with a lower tax base (or relative wealth) than to the richer parishes (those with a higher tax base). The extent to which the new formula is successful in doing this may determine the outcome of an on-going court case which is challenging the equity and adequacy of the state's system of school finance.

With the adoption of the new MFP in 1992, it was also envisioned that the state would no longer provide specific salary increases for teachers and other school employees, but instead, would fund block grants to local school districts. The local school districts would then determine how to spend their state and local dollars to get the best results.

The problem is:

1. Local school systems have not been held accountable for student achievement results.
2. There isn't any agreement on data to determine how dollars are being spent.
3. The governor and legislature are still in the pay raise business (either because they want the credit or they don't trust the locals to do it).
4. While legislators want to remove some state mandates on the one hand, they want to mandate teacher pay on the other.

On the first point, BESE says its new school and district accountability system will provide a mechanism to hold schools and systems accountable for student achievement results. However, this plan, once approved by BESE, will be implemented over a long period of time and will not result in any real consequences for poor performing schools until at least six years from now.

On the second point, the Education Estimating Conference (created by a 1990 law) should meet regularly and develop official estimates of data needed in the planning and budgeting process. To date, it has not begun work.

On the third point, if the Legislature and governor insist on staying in the pay raise business, then they need to determine how they can do this and still provide for an equitable distribution of state

funds to insure a minimum foundation of education in every elementary and secondary school in the state, as required by the state constitution.

If large sums of money for pay raises are distributed either outside the formula or through some gimmick within the formula which bypasses the equalization mechanism, it will likely be increasingly difficult for the state's system of education funding to withstand court challenges. In each of the last two years, pay raises have been distributed through a newly created "Level 3" of the formula which distorts the equalization mechanism.

Conclusions and Recommendations

If new or redirected state dollars are earmarked for pay raises, they should be restricted to classroom teachers only.

State mandates which restrict a local school system's ability to determine its spending priorities should be eliminated. Chief among these are rest and recuperation sabbatical leaves and "Gayle pay" which not only cost school systems money but also have a direct impact on students who are taught by substitutes while the teacher is out.

A broad consensus must be reached about how the state can best meet its constitutional obligation to provide for a minimum foundation of education for every elementary and secondary school in this state. Specifically, the following questions must be addressed:

1. Will the state affirm its commitment to ensure equity among school districts to help assure that a student in a poor district can get the same minimum education as a student in a rich district?
2. Will the state continue to provide funds in the form of block grants and hold local school systems accountable for student achievement results as opposed to dictating how the funds must be spent? (Is the Legislature willing to get out of the business of granting specific pay raises?)
3. What can/should the state do (beyond the new accountability system) to hold local school systems accountable for student achievement results, and what will it do if those results don't materialize?
4. How can the MFP be simplified and improved?

Legislative committee hearings have raised a number of relevant questions about how local school systems are spending their dollars and administering various programs. The public discussion of this information has been useful and has shed light on some problem areas, but the Legislature cannot effectively micro manage schools or school systems. Rather than concentrating on resources, the Legislature should be focusing on how to hold the local school systems accountable for student achievement results in exchange for the more than \$2 billion the state sends to local school systems through the MFP each year.



Menu Page
