



# GUIDE TO THE ISSUES

## Education in Alabama: Facts About Funding

### Background

For decades, Alabamians have been told by opponents of structural educational reforms in Alabama that the state's teachers are not paid enough to secure the kind of professionals necessary to improve Alabama's educational outcomes.

The same groups have assailed Alabama's tax structure for education as failing to provide adequate funding for Alabama's public schools. In fact, this assertion has gone so far as to produce litigation. In the case of *India Lynch v. State of Alabama*, parents of students in Lawrence and Sumter Counties argued that the current *ad valorem* tax structure of the State of Alabama "violate[s] the Equal Protection Clause of the Fourteenth Amendment...and Title VI of the Civil Rights Act of 1964."<sup>7</sup>

### Policy Consideration

According to the National Education Association (NEA), Alabama ranks 32<sup>nd</sup> in the nation in terms of teacher salaries. For the 2010-11 school year, the NEA estimates that the average teacher salary in Alabama was \$47,083, or \$8,540 less than the national average of \$55,623.<sup>8</sup> However, these numbers do not provide a complete picture of the overall compensation given to Alabama's public school teachers. When other factors are taken into account, the picture of compensation for teachers across the United States changes significantly.

First, the cost of living is not the same in every state, which makes the compensation given to teachers worth more in some and less in others. Because Alabama's cost of living is about seven percent lower than the rest of the nation, a dollar invested here in a teacher's pay goes

### ISSUE SNAPSHOT

Alabama ranked 32<sup>nd</sup> in 2010-11 in terms of average teacher salary but rose to 17<sup>th</sup> in average compensation when adjusted for cost of living, retirement benefits, and experience.

Other states that are spending less per student report higher standardized test scores than Alabama.

Alabama has not seen evidence over time of educational outcomes corresponding to increased educational funding.

further than it would in other states where the cost of living is much higher."<sup>9</sup>

Second, employer pensions also vary from state to state. In some states, teachers have the option of enrolling in a state retirement system or one reserved exclusively for public school employees. As of 2008, teachers in Alabama receive an 8.17 percent pension match, which is the same as receiving an extra 8.17 percent in their paychecks and then redirecting it to their retirement savings.<sup>10</sup>

Finally, teacher experience varies by state. States with a higher percentage of experienced teachers tend to pay a higher average salary. In Alabama, the average teacher has 12.3 years of experience, slightly lower than the national average of 13.0 years.<sup>11</sup> Because of this lower ranking, the total number of teachers the state hires costs less than the same number in another state where the average tenure level is higher.