

## How Alabama Teacher Salaries Compare To Other Southeastern States

### Report by the Alabama Policy Institute

During her 2023 State of the State Address, Alabama Governor Kay Ivey (R) pledged that teacher salaries would be the highest in the Southeast by the end of her second full term. Specifically, she said that her fiscal year 2024 budget will provide a 2% raise to all of the state's teachers.

According to [data](#) from the Alabama State Department of Education, as of the 2020-2021 school year, there were approximately 46,123 classroom teachers in the state. When combined with administrators, support personnel, and non-classroom teachers, that total rose to 53,130.

It is possible that Gov. Ivey's efforts to increase teacher pay are part of a movement nationwide to deal with a [teacher shortage](#). Both the state and federal government are seeking solutions to combat the problem with funding; most are proposing increased starting and general salaries in an attempt to attract and retain more people in the teaching profession.

While having qualified teachers is clearly a necessity for public education, policy makers should consider if higher education system salaries equate to better academic achievement for students. Secondly, policy makers should also consider the impact of increasing salaries on Alabama's state Education Trust Fund (ETF) budget.

According to salary data from the National Education Association, during the 2020-2021 school year [Alabama ranked 26<sup>th</sup>](#) in the nation in terms of minimum teacher salaries. At that time, Alabama was ranked ahead of much of the Southeast, with the exception of Florida and Louisiana.

It is important to note that this ranking did not include a 4% raise and changes to Alabama's educator pay scale matrix that were enacted during the Legislature's 2022 regular session. Florida and Mississippi also both enacted teacher pay raises in 2022. Mississippi's lowest starting salary range still falls below Alabama, despite a more than 10% increase.

In terms of having the highest starting teacher salaries in the Southeast, Arkansas recently raised the benchmark. One of the first actions of Governor Sarah Huckabee Sanders was to increase starting salaries to \$50,000 per year. This was part of an educational reform package known as the [LEARNS Act](#), which was signed into law on March 8, 2023. As a result of the LEARNS Act, Arkansas now has the highest starting salaries in the Southeast, a nearly 40% raise for the lowest paid teachers.

There is also a movement at the national level to increase starting teacher pay. Late last year U.S. Representative Frederica Wilson (D-Florida) introduced the [American Teacher Act](#). Under the provisions of the bill, Congress would establish a minimum salary of \$60,000 for every public school teacher in the United States starting in the 2025-2026 school year. Annual salary adjustments would be made based on inflation. Senator Bernie Sanders (D-Vermont) introduced a similar bill, the [Pay Teachers Act](#), to the U.S. Senate In March 2023.

Under the provisions of the American Teacher Act, the federal government would help states offset the costs of increasing teacher salaries by providing a four-year grant. However, it is currently unclear who would bear the enduring costs after the initial four-year grant period expires. Further, there are questions regarding what conditions the federal government might place on receiving the funding. Neither bill has received a Congressional committee hearing and the prospects of either passing and becoming law seem questionable at best.

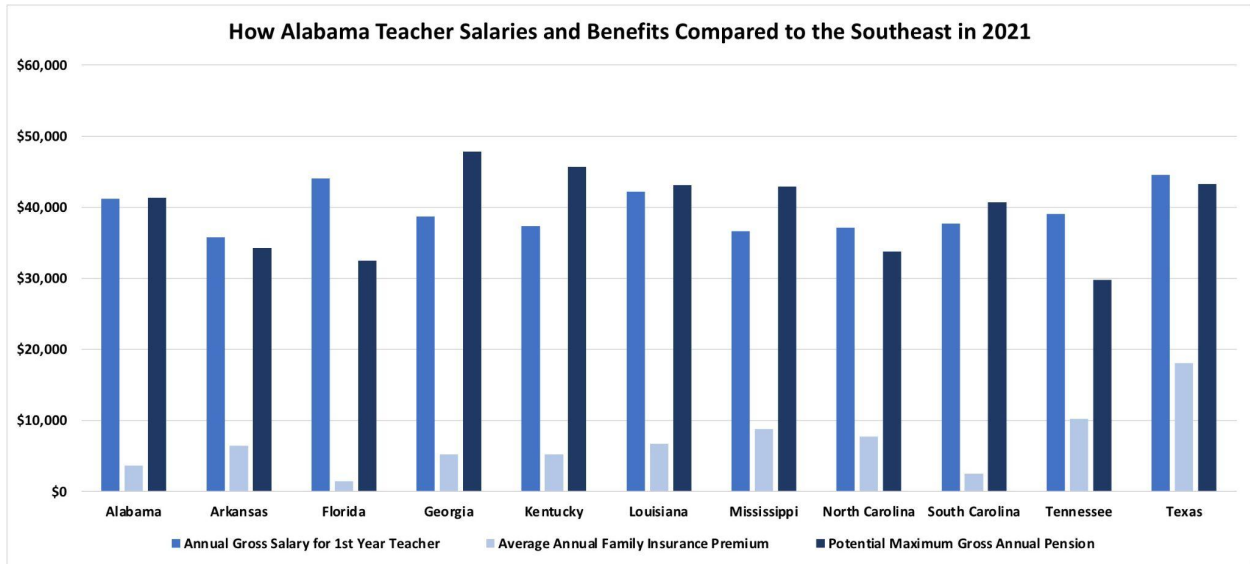
If Gov. Ivey truly intends to provide Alabama teachers with the highest starting salaries in the Southeast, \$50,000 per year will be the minimum goal for lawmakers to hit over the current legislative quadrennium. But how will Gov. Ivey's highest salary target be calculated? There are a number of factors that should be considered beyond the current minimum base pay of Alabama's teachers. Raising the minimum pay could also have far reaching impacts on education and more specifically the bottom line of the Education Trust Fund (ETF) budget.

According to the Alabama Education Association's [salary matrix](#), in 2023 a teacher with a bachelor's degree and 0-2 years of experience will have a minimum base pay of \$43,358, not including benefits. A teacher with the same experience level that holds a master's degree will be paid a minimum of \$49,859. Those with an education specialist or doctoral degree both have minimum starting salaries above \$50,000, regardless of experience. After two years of service, all master's degree holders currently make over \$50,000. For bachelor's degree holders with 6-8 years of experience, pay moves up to \$49,780, and by year 9 all of teachers make more than \$50,000 annually. The biggest pay increases come between years two and three and years five and six.

However, when determining where Alabama ranks in terms of teacher pay, salary alone does not paint a complete picture. For example, teachers are eligible to receive lifetime health and pension plan benefits. Alabama currently has a 10 year vesting period for teacher retirement and healthcare benefits. For teachers who were part of the Alabama Teacher's Retirement System before January 1, 2013 (Tier 1), they can retire and begin drawing a pension at any age, so long as they have 25 years of service. Those with at least 10 years but less than 25 years of service can begin drawing pension benefits at age 60. For those teachers who entered the system after January 1, 2013 (Tier II), they are eligible to retire at age 62 so long as they have 10 years of service. According to the [Southern Regional Education Board](#) (SREB), Alabama's potential gross annual pension benefits are competitive with much of the Southeast. Tier 1 beneficiaries have the potential to earn a pension of \$41,336 per year while Tier II teachers can receive up to \$33,396 annually. This places Alabama ahead of Arkansas, Florida, North Carolina, South Carolina, and Tennessee. Georgia and Kentucky have the highest maximum potential pension benefits in the region at \$47,957 and \$45,713 respectively.

Healthcare benefits should also be considered. SREB reports that Alabama teachers pay an average monthly family health insurance premium of \$307, amongst the lowest in the Southeast. Only Florida and South Carolina report lower average monthly premiums. In Texas, teachers pay an average premium of \$1,508.33 per month - nearly five times higher than Alabama teachers. For an Alabamian who is not employed by state or local government, the average cost of a non-subsidized silver tier health insurance plan for a family of four is an estimated [\\$1,768 per](#)

[month](#), or about \$17,532 more annually than a public school teacher. That total could be lower if an employer contributes to the costs, but even if the employer pays half, it is still substantially more than a public school teacher benefit plans.



Assuming that benefits will not be factored into Gov. Ivey’s plan to have the highest starting teacher salaries in the Southeast, the broader impacts to the ETF budget must also be considered. If only starting salaries are raised, some teachers with 0-2 years of experience would receive a more than \$6,600 raise, a 15.4% increase. Data is not available showing the number of Alabama teachers by experience and level of degree obtained for each step on the pay scale. Raising starting salaries alone would cost the state tens of millions of dollars each year. It is likely that raising minimum pay would create a domino effect for corresponding raises for all teachers, which would increase overall ETF spending substantially. Consider that the 4% raise for teachers approved during the 2022 regular session had an annual cost of \$178.6 million per year. Giving all teachers a more than 15% raise could drive the cost to more than \$700 million annually.

Lawmakers should also consider whether higher teacher salaries translate to better educational outcomes for students. Since the 1999-2000 school year, Alabama’s minimum teacher salaries have [increased by 45%](#) on a nominal basis. Since 2018, the Legislature has approved four pay-raises for public education employees, totaling 12.5%. The only time during that five-year period when a pay-raise was not approved was during the COVID-19 pandemic shortened session in 2020. In 2022, on top of a 4% across the board raise, more experienced teachers saw larger increases through changes to the state’s salary matrix. For example, a teacher with a bachelor’s degree and 35 years of experience received a [20.8% raise](#) in 2023.

Despite these consistent raises, over the past 25 years, Alabama’s performance in the National Assessment of Education Progress (NAEP) has shown [little to no improvement](#). In 2022, NAEP eighth-grade math scores were the same as they were in 2000, 23 years ago. Eighth-grade reading NAEP scores were four points lower than in 1998, 25 years ago.

Out of 500 possible points, Alabama's average eighth-grade math score in 2022 was 264, the same as in 2000 and a three-point decrease from 269 in 2019. The state's average eighth-grade reading scores in 2022 were 251, two points less than 253 in 2019 and four points less than Alabama's average score of 255 in 1998. Despite 12.5% raises since 2018, Alabama's NAEP scores only improved by one point in one category from 2019-2022.