

## **Palo Alto Unified School District Teacher Salaries** **Compared with Other Districts**

The Palo Alto Unified School District (PAUSD) pays market salaries in order to attract the best, most skilled teachers for its students. Compared with teachers in neighboring districts, PAUSD's teachers earn somewhere in the middle range, falling neither at the high nor low end. However, compared with teachers at top-performing districts elsewhere in the United States, PAUSD teachers earn 27 percent less than their peers when adjusted for cost-of-living differences.<sup>1</sup>

### **Teacher Salaries**

PAUSD believes the cornerstone of the quality of education it offers is the high caliber of its teaching and support staff.

In 2000, previously satisfactory teacher compensation levels started to falter:

- Teachers in many other California school districts were given raises in excess of 10 percent as a result of the influx of additional state education funds. As a "basic aid" school district, PAUSD did not receive these additional funds and began to lose ground compared to neighboring districts which, unlike Palo Alto, are financed under the "revenue limit" model.
- PAUSD's 90 percent teacher retention rate<sup>2</sup> started to erode to a low 68 percent as living costs in our area rose and teachers began leaving for the higher-paying technology industry.

Retention is an important goal for school districts -- it allows them to staff classrooms with more experienced teachers and save the considerable expense of recruiting, hiring and training new personnel. To increase its retention rate, PAUSD asked voters in 2001 for additional funds via a parcel tax (Measure D), aimed in part at improving teacher compensation. That measure, which expires next year, was backed by 75 percent of the voters. Once the full impact of the 2001 parcel tax was felt, teacher retention rates began a steady ascent to their current 92 percent level -- the highest in five years.

### **Starting Teacher Salaries in Silicon Valley**

Starting teacher salaries in 19 out of the 26 school districts in Santa Clara County were between \$40,000 and \$50,000 for 2004-05. As shown in the chart below, starting teacher salaries in the Palo Alto school district for 2003-04 (the most recent year for which comparative data is published by the state) are in line with neighboring districts, having remained level at \$44,268 for the past two years.

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<sup>1</sup> See Measure A Position Paper "PAUSD Spending Compared to Other Top Nationwide School Districts."

<sup>2</sup> Retention rate is the percentage of teachers remaining in the PAUSD for at least three years after receiving tenure. Data source: PAUSD (February 2005).

School District	Starting Salaries (2003-04) <sup>3</sup>
Mountain View-Los Altos Union High	\$ 49,518
Los Gatos-Saratoga Joint Union HS	\$ 46,704
San Mateo Union High School	\$ 45,619
Sequoia Union High School	\$ 45,447
Las Lomas Elementary	\$ 44,830
<b>Palo Alto Unified</b>	<b>\$ 44,268</b>
Portola Valley Elementary	\$ 44,216
Menlo Park Elementary	\$ 42,956

### Average Teacher Salaries in Silicon Valley

Palo Alto pays an average teacher salary of \$70,411.<sup>4</sup> As is the case with starting salaries, average teacher salaries in the Palo Alto school district are in line with neighboring districts.

School District	Average Salaries (2003-04) <sup>5</sup>
Mountain View-Los Altos Union High	\$ 76,765
Las Lomas Elementary	\$ 76,306
Los Gatos-Saratoga Joint Union HS	\$ 75,567
Portola Valley Elementary	\$ 70,702
San Mateo Union High School	\$ 70,573
<b>Palo Alto Unified</b>	<b>\$ 70,411<sup>6</sup></b>
Menlo Park Elementary	\$ 69,753
Sequoia Union High School	\$ 67,867

### Average Salaries in the Nation's Top School Districts

The PAUSD's average teachers' salaries are low when compared to the salaries of teachers at other top-performing school districts in the nation when adjusted for differences in cost of living between the school communities.

School District	Average Salaries (2004-05)
Select High-Performing School Districts Nationwide <sup>7</sup>	\$ 101,320 <sup>8</sup>
<b>Palo Alto Unified</b>	<b>\$ 73,789</b>

<sup>3</sup> State of California 2003-04 Form J-90 (latest data available).

<sup>4</sup> Based on 2003-04 comparative data. For the 2004-05 school year the average salary is \$73,789.

<sup>5</sup> State of California 2003-04 Form J-90 (latest data available)

<sup>6</sup> The California Form J-90 numbers are calculated at a different time than the PAUSD budget book, which may result in a slightly different average compensation figure.

<sup>7</sup> Derived from data collected in a February and March 2005 telephone survey of Princeton (New Jersey), Chappaqua and Scarsdale (New York), Chapel Hill (North Carolina), New Trier (Illinois), Shawnee Mission (Kansas), Weston (Massachusetts), and Edina (Minnesota) school districts. See Measure A Position Paper "PAUSD Spending Compared to Other Top Nationwide School Districts."

<sup>8</sup> As adjusted for cost of living differences found at <http://www.homefair.com/homefair/calc/salcalc.html>

## **Salary Increases**

### **Raises**

Teacher raises are determined annually by PAUSD during the course of public negotiating sessions with the teachers' union.

Due to fiscal constraints, PAUSD has not offered raises to teachers, other than the scheduled step and column increases mentioned below, during the past two school years.

### **Scheduled Increases**

Teachers may advance on the salary schedule in what is referred to as "step and column" movement.

- Step movement is based on a teacher's number of years of service.
- Column movement occurs when a teacher continues his/her education by taking additional coursework.

Step and column models are a common practice in school districts across the nation.

Each school year, about 50 percent of PAUSD teachers receive an increase in salary from step and/or column movement. Each step and column increase is currently between \$1,000 and \$2,600.<sup>9</sup>

### **Benefits**

The level of medical benefits paid to teachers is also negotiated annually between PAUSD and the teachers' union. As for all employers, the cost of these benefits has increased dramatically over the last several years – costs which are largely outside of the district's control. PAUSD's health care costs rose under 6 percent a year on average over the last two school years, *below* the U.S. average annual health care cost increase of over 12 percent<sup>10</sup> for 2002 and 2003.

Teacher pensions are determined by the state. Each year PAUSD contributes a fixed percentage of each teacher's pay to the State Teachers Retirement System (STRS). As teacher compensation increases, PAUSD's pension costs increase. The contribution percentage (currently 8.25 percent) is uniform for all California school districts. The pension a teacher receives upon retirement is determined under a standard state formula that factors in the teacher's age, compensation and years of employment. Pension checks are drawn from the State of California.

Teachers also contribute 8 percent to STRS. In addition, teachers do not pay into, and are not eligible for, Social Security unless they have contributed sufficiently to Social Security during other employment. Even then, a teacher would not receive full benefits – they would be reduced by two-thirds because of the teacher's participation in STRS.

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<sup>9</sup> [http://www.pausd.palo-alto.ca.us/community/downloads/employment/tchr\\_sal\\_03\\_04.pdf](http://www.pausd.palo-alto.ca.us/community/downloads/employment/tchr_sal_03_04.pdf)

<sup>10</sup> [http://wrg.wmmercer.com/content\\_print.asp?article\\_id=20046262&ext=.PDF](http://wrg.wmmercer.com/content_print.asp?article_id=20046262&ext=.PDF)