

Background: PEP-Based Classroom Teacher Salary Averages

The Profile of Educational Personnel (PEP) System was implemented during school year 1993-1994 with the Fall (October 1) collection of public school staff data. An end-of-year (EOY) reporting cycle was added in 1995-1996 to collect cumulative staff data for the entire school year. Staff data from *public city/parish school districts*, only, are used to derive state salary averages from the PEP database. For example: the state special schools are excluded. With certain exceptions (e.g., sabbatical leave, day-to-day substitutes), classroom teachers are reported in PEP under object code 112 and a 1000-series function code from the *Louisiana Accounting and Uniform Governmental Handbook*. Employees serving in more than one capacity were initially reported using their *primary* object-function code combination. This limitation was removed by a PEP redesign for school year 2002-2003 which contained a multi-record capability.

Prior to PEP redesign, teachers shown in sabbatical leave status within the Fall and/or EOY reports were *automatically excluded* from the respective report's *classroom teacher counts and averages* since they were to be reported using *object code* 140 (Salaries for Sabbatical Leave). These employees are now reported using the appropriate object code(s) to which they belong and are identified as being on sabbatical leave with a *Sabbatical Code*. From the 1993 inception of PEP through the Fall 1996 report, average teacher salaries were calculated using only the district-designated "full-time" teachers from the Fall report. The use of full-time equivalent (FTE) calculations for October 1997 data enabled average salaries to be derived from all classroom teacher records, whether the teachers worked full or part-time for the whole year, or for only part of the year.

As PEP evolved, further refinements were made to the calculation process to ensure resulting classroom teacher averages were not unduly skewed by "abnormal" situations, for example: the *Retiree Return To Work Code* was used to exclude "rehired retirees" beginning with 1997-1998 EOY average salaries; the *Teaching Certificate Exception Code* was used beginning with 1998-1999 EOY data to identify, and exclude, teachers identified as ROTC instructors, i.e., where exception code = 4. The redesign of PEP in 2002-2003 allowed identification of ROTC Instructors with a specific *object-function* combination (112-1450) in place of the *Teaching Certificate Exception Code*. A new *Salary Reduction Code* was used beginning with 2005-2006 EOY data to exclude employees who received *reduced pay* for whatever reason, e.g., extended medical leave, etc.

Figure 1 provides a summary of the various factors affecting calculation of average classroom teacher salaries from the PEP database since October 1993. Figures 2 and 3 show the calculation of FTE prior to PEP redesign.

Factors Affecting Calculation Of Primary Average Salary For Classroom Teachers From PEP Database

**Note: Salary and/or work-related data are not collected for post-secondary, contracted professional service, and third-party contract individuals who became reportable in PEP effective 2003-2004; therefore, these individuals cannot be included within any salary averages or FTE calculations.*

PEP Processing Period	Record Layouts		*Data Element Availability							Employee Counts Used		Calculation Of FTE Based Upon			Exclude Count (FT or FTE) and Salaries From Calculation of Averages (Y = all; P = primary)							
	Single Record	Multiple Record	Sabbatical		ROTC			Retiree Return To Work	Salary Reduction Code	Vacant Position Records	Full-Time Headcount	FTE of Full/Part-time	30 Hrs/Week and 175 Days	30 Hrs/Week and 177 Days	Annual Min. Worked vs. Contract Time	Sab-baticals	Part-Time	ROTC	Rehired Retirees	Salary Reduct-ion Code	Vacant Positions	
			Object Code = 140	Sabb. Codes 1 thru 3	Cert. Excep. Code = 4	Function Code = 1450																
2005-2006 Actual EOY		Y		Y		Y	Y	Y	Y		Y			Y	Y				P	P	P	Y
2005-2006 Budgeted Oct		Y		Y		Y	Y	n/a	Y		Y			Y	Y				P	P	n/a	Y
2004-2005 Actual EOY		Y		Y		Y	Y	Y	Y		Y			Y	Y				P	P		Y
2004-2005 Budgeted Oct		Y		Y		Y	Y	n/a	Y		Y			Y	Y				P	P		Y
2002-2003 Actual EOY		Y		Y		Y	Y		Y		Y			Y	Y				P	P		Y
2002-2003 Budgeted Oct		Y		Y		Y	Y		Y		Y			Y	Y				P	P		Y
2001-2002 Actual EOY	Y		Y	Y		Y	Y		Y		Y		Y		Y				P	P		Y
2001-2002 Budgeted Oct	Y		Y	Y		Y	Y		Y		Y		Y		Y				P	P		Y
2000-2001 Actual EOY	Y		Y	Y		Y	Y		Y		Y	Y			Y				P	P		Y
2000-2001 Budgeted Oct	Y		Y	Y		Y	Y		Y		Y	Y			Y				P	P		Y
1999-2000 Actual EOY	Y		Y	Y		Y	Y		Y		Y	Y			Y				P	P		Y
1999-2000 Budgeted Oct	Y		Y	Y		Y	Y		Y		Y	Y			Y				P	P		Y
1998-1999 Actual EOY	Y		Y	Y		Y	Y		Y		Y	Y			Y				P	P		Y
1998-1999 Budgeted Oct	Y		Y	Y		Y	Y		Y		Y	Y			Y				P			{*Note 3}
1997-1998 Actual EOY	Y		Y	Y		Y	Y		Y		Y	Y			Y				P			Y
1997-1998 Budgeted Oct	Y		Y	Y		Y	Y		Y		Y	Y			Y				P			Y
1996-1997 Actual EOY ^{+Note 1}	Y		Y	Y		Y	Y		Y		{*Note 2}	{*Note 2}			Y				{*Note 2}			Y
1996-1997 Budgeted Oct ^{+Note 1}	Y		Y	Y		Y	Y		Y		Y				Y				Y			Y
1995-1996 Actual EOY ^{+Note 1}	Y		Y	Y		Y	Y		Y		{*Note 2}	{*Note 2}			Y				{*Note 2}			Y
1995-1996 Budgeted Oct ^{+Note 1}	Y		Y	Y		Y	Y		Y		Y				Y				Y			Y
1994-1995 Actual EOY	{ Not Collected }		{ Not Collected }	{ Not Collected }		{ Not Collected }	{ N/C }		{ N/C }		{ Not Collected }				{ Not Collected }							{ Not Collected }
1994-1995 Budgeted Oct ^{+Note 1}	Y		Y	Y		Y	Y		Y		Y				Y				Y			Y
1993-1994 Actual EOY	{ Not Collected }		{ Not Collected }	{ Not Collected }		{ Not Collected }	{ N/C }		{ N/C }		{ Not Collected }				{ Not Collected }							{ Not Collected }
1993-1994 Budgeted Oct ^{+Note 1}	Y		Y	Y		Y	Y		Y		Y				Y				Y			Y

*Footnotes: 1. Bossier Community College teachers were reported by, and included within salary averages for, Bossier Parish School District over the period 1993-1994 thru 1996-1997.
 2. Average salaries were not initially calculated from end-of-year (EOY) PEP data for school years 1995-1996 and 1996-1997. With implementation of full-time equivalents (FTE) for calculating 1997-1998 budgeted average salaries in December 1997, the same method was used for "after-the-fact" calculation/publication of EOY (actual) average teacher salaries for 1995-1996 and 1996-1997.
 3. Six vacant position records were inadvertently included within the calculation of the budgeted average teacher salaries initially published for October 1, 1998.
 4. Salary amounts projected (October report) by some school districts may not include all potential tax revenue supplements.

Figure 2. Calculation of Full-Time Equivalents (FTE) for 175-Day Minimum School Year

{Used for FTE calculations prior to 2001-2002.}

I. Certificated Employee: {District Salaries object/function code combination has a 1000-series SumCode.}

The *full-time equivalent (FTE) = 1* for each certificated employee who works *30 hours a week or more* on a regular basis (i.e., qualifies for employee benefits) AND is employed for at least *175 workdays*, which is the minimum number of instructional days for a school year. On this basis, the FTE for each certificated employee will be calculated:

$$\begin{array}{rcccl} & & \textbf{FTE-Hours} & & \textbf{TIMES} & & \textbf{FTE-Days} \\ *FTE & = & \frac{\text{Hours Per Week Worked}}{30 \text{ Hours}} & & X & & \frac{\text{Days Employed}}{175 \text{ Days}} \\ & & & & & & \\ & & \textit{(If result > 1, change to "1")}& & & & \textit{(If result > 1, change to "1")}& \end{array}$$

II. Non-Certificated Employee: {District Salaries object/function code combination has a 2000-series SumCode.}

The *full-time equivalent (FTE) = 1* for each non-certificated employee who works *more than 20 hours a week* on a regular basis (i.e., the qualification for entering retirement systems) AND is employed for at least *175 workdays*, which is the minimum number of instructional days for a school year. On this basis, the FTE for each non-certificated employee will be calculated:

$$\begin{array}{rcccl} & & \textbf{FTE-Hours} & & \textbf{TIMES} & & \textbf{FTE-Days} \\ *FTE & = & \frac{\text{Hours Per Week Worked}}{20.01 \text{ Hours}} & & X & & \frac{\text{Days Employed}}{175 \text{ Days}} \\ & & & & & & \\ & & \textit{(If result > 1, change to "1")}& & & & \textit{(If result > 1, change to "1")}& \end{array}$$

*Note: FTE for an individual can never be greater than "1.0".

Figure 3. Calculation of Full-Time Equivalents (FTE) for 177-Day Minimum School Year

{Used for FTE calculations in 2001-2002, only.}

I. Certificated Employee: {District Salaries object/function code combination has a 1000-series SumCode.}

The *full-time equivalent (FTE) = 1* for each certificated employee who works *30 hours a week or more* on a regular basis (i.e., qualifies for employee benefits) AND is employed for at least *177 workdays*, which is the minimum number of instructional days for a school year. On this basis, the FTE for each certificated employee will be calculated:

$$\begin{array}{rcccl} & & \textbf{FTE-Hours} & & \textbf{TIMES} & & \textbf{FTE-Days} \\ *FTE & = & \frac{\text{Hours Per Week Worked}}{30 \text{ Hours}} & & X & & \frac{\text{Days Employed}}{177 \text{ Days}} \\ & & & & & & \\ & & \textit{(If result > 1, change to "1")}& & & & \textit{(If result > 1, change to "1")}& \end{array}$$

II. Non-Certificated Employee: {District Salaries object/function code combination has a 2000-series SumCode.}

The *full-time equivalent (FTE) = 1* for each non-certificated employee who works *more than 20 hours a week* on a regular basis (i.e., the qualification for entering retirement systems) AND is employed for at least *177 workdays*, which is the minimum number of instructional days for a school year. On this basis, the FTE for each non-certificated employee will be calculated:

$$\begin{array}{rcccl} & & \textbf{FTE-Hours} & & \textbf{TIMES} & & \textbf{FTE-Days} \\ *FTE & = & \frac{\text{Hours Per Week Worked}}{20.01 \text{ Hours}} & & X & & \frac{\text{Days Employed}}{177 \text{ Days}} \\ & & & & & & \\ & & \textit{(If result > 1, change to "1")}& & & & \textit{(If result > 1, change to "1")}& \end{array}$$

*Note: FTE for an individual can never be greater than "1.0". Effective 2001-2002, the minimum number of instructional days increased to 177 (was 175).

Procedures: Employee Counts/Salary Averages

(On or After October 1, 2002)

Headcount:

Public school employees reported within the Profile of Educational Personnel (PEP) system are each represented by a single staff record from the submitting local educational agency (LEA), together with one or more site-position records that report the applicable salary and time worked (by site) for each job performed by the employee. Jobs are defined by entry of object and function code combinations from the *Louisiana Accounting and Uniform Governmental Handbook*. Job locations are identified using site codes assigned within the Sponsor/Site System (SPS) database. To quantify or weight information extracted from the PEP database, each employee is assigned a "headcount" of one (1) that is *prorated* to subordinate site-position records using the ratio of: *minutes worked* reported for that site-position record, divided by the *total of minutes worked* reported by all site-position records for the employee.

Example: An employee works a total of 76,440 minutes. Half of the total minutes are at Church Point High School (*Site Code* 001005) as a guidance counselor (113-2122); with the remaining time worked at Crowley High School (*Site Code* 001007), split equally between teaching gifted/talented courses (112-1220) and industrial arts (112-1350). The employee's headcount would be prorated as follows:

<u>Site Code</u>	<u>Object</u>	<u>Function</u>	<u>Minutes Worked</u>	<u>Percent</u>	<u>Headcount</u>
001005	113	2122	38,220	50%	0.50
001007	112	1220	19,110	25%	0.25
001007	112	1350	<u>19,110</u>	<u>25%</u>	<u>0.25</u>
Employee Total			76,440	100%	1.00

Full-Time Equivalent (FTE):

The employee headcount provides some measure for a "snapshot in time" such as the Fall (October) PEP submission and for prorating/weighting each individual's data; however, the measure is less useful when applied to cumulative data such as the end-of-year (EOY) PEP report and/or to quantify staff employment over the school year. The need for a "man-year" measurement led to calculating employee full-time equivalents (FTE), whereby a value (1.0 or less) is assigned each staff member by comparing the employee's *minutes worked* to the applicable *contract year*.

The PEP system includes self-reporting of the *contract year* against which the employee's actual or projected work may be measured. The contract year is obtained by multiplying *contract days* by the *workday minutes*, which produces (if the data are properly reported) the *total available annual minutes* under the contract(s) for the *class of employees* to which the reported employee is assigned. A minimum length for the school year (in minutes) is also established so that employees normally hired for a short period of time (e.g., seasonal grounds workers), or a short period each day (e.g., 1-2 hours daily clerical work), are not counted in FTE calculations as *full-year* employees; nor are their partial-year or partial-day salaries treated as a *full year's* pay. A minimum year of 63,720 minutes is set for *certificated* staff positions based upon: thirty hours per week (i.e., guidelines to qualify for employee benefits) and a legislated minimum school year of 177 instructional days. The minimum year for *non-certificated* positions is set at 42,501 minutes predicated on: needing over twenty hours per week (i.e., 20.01 hours/week) to qualify for retirement system entry, and the minimum school year of 177 instructional days. Once established, an employee's FTE is *prorated* to each subordinate site-position record based upon the *minutes worked* reported for that site-position record, compared to the *total of minutes worked* reported by all site-position records for the employee.

Example: A staff member is employed under a contract covering 200 days with a normal workday of seven hours (i.e., 420 minutes). The employee works a total of 182 days (i.e., 76,440 minutes). Half of the total are at Church Point High School (*Site Code* 001005) as a guidance counselor (113-2122); and the remaining half at Crowley High School (*Site Code* 001007), split equally between teaching gifted/talented courses (112-1220) and industrial arts (112-1350). The employee's FTE would be calculated and prorated as follows:

Annual

$$\text{Available Minutes} = 200 \text{ Contract Days} \times 420 \text{ Workday Minutes} = *84,000 \text{ Minutes}$$

[*Note: If result less than minimum year, use 63,720 minutes or 42,501 minutes.]

$$\text{Employee FTE} = \frac{** 76,440 \text{ Total of Minutes Worked}}{84,000 \text{ Annual Available Minutes}} = 0.91$$

[**Note: If total of Minutes Worked equal to or greater than Annual Available Minutes, set FTE = 1.]

Site-Position FTE (proration):

<u>Site Code</u>	<u>Object</u>	<u>Function</u>	<u>Minutes Worked</u>	<u>Percent</u>	<u>Headcount</u>	<u>FTE</u>
001005	113	2122	38,220	50%	0.50	0.4550
001007	112	1220	19,110	25%	0.25	0.2275
001007	112	1350	<u>19,110</u>	<u>25%</u>	<u>0.25</u>	<u>0.2275</u>
Employee Total			76,440	100%	1.00	0.9100

Annualizing Salaries and Calculating Average Salaries:

Except for PIP entitlements, all PEP salary data are available from site-position records. The data consist of three salary types (base pay, extra compensation, and extended employment compensation); and, for each employee, are identified to one or more specific job(s) by entry of applicable *object and function code* combinations. If an employee performs the same function at more than one location, multiple site-position records with the same object and function code combination will be reported; in which case, the related salary data reported for that function may be spread between the several records or may be lumped into one of the site-position records. The *PIP* entitlement is reported in the staff record. From October 1, 2002 through September 30, 2005, salary average and annualizing calculations used the salary data as reported within each site-position record, plus proration of the PIP entitlement to each site-position record on the same basis as headcount (above). A shortcoming was that the "cost" of a multi-sited employee might be over or understated within a salary average or total calculation depending upon selection criteria (e.g., for teacher salary average by site) and how the related data were reported (e.g., salary lumped into one site-position record). Beginning October 1, 2005, salary average and annualizing calculations used salary and PIP amounts which had been totaled for the individual, then prorated to each related site-position record as done for headcount and FTE.

An *annualized salary* is calculated for each job held by an employee (i.e., each object and function code combination for that individual) by: summing the site-position record prorated salary entries and prorated PIP entitlement for each object-function combination reported for the employee, then dividing the result by the sum of the prorated FTE for the same records. The annualized salary is used in establishing lows and highs when comparing the same type positions.

Calculating *average salaries* from PEP data is accomplished by: establishing the criteria for selecting and/or excluding site-position records from the calculation; identifying the type prorated salaries to be used (i.e., *base pay, extra compensation, extended employment compensation, and/or PIP*); summing the *selected prorated salary data and the prorated FTE associated with each selected site-position record*; then dividing the *sum of the selected prorated salaries* by the *sum of the selected prorated FTE*.