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ON THE BALLOT

A Report from the Bureau of Governmental Research

JEFFERSON PARISH SCHOOL TAX PROPOSAL, MAY 4, 2019

INBRIEF

What is the tax proposition? Jefferson Parish voters will decide whether to approve a new property tax for increased pay for teachers and other public school system employees. If approved, the tax will be levied parishwide at a rate of 7.9 mills for 10 years, beginning in 2019. The tax is expected to generate $28.8 million in the first year.

Why is it on the ballot? The Jefferson Parish School Board views its current pay scales as inadequate to attract and retain high-quality employees to support students' academic growth. The Jefferson Parish Public School System would use the tax proceeds to implement a new pay plan that has been approved by the School Board, pending passage of the tax proposition. If the tax proposition fails, the current salary schedules will remain in place.

BGR's *ON THE BALLOT* SERIES

This report is the latest in BGR's *On the Ballot* series, which provides voters with objective, nonpartisan analysis of significant ballot propositions in the New Orleans metropolitan area. In producing *On the Ballot* reports, BGR recommends positions consistent with its mission of promoting informed public policy and the effective use of public resources for the improvement of local government. *On the Ballot* reports bring to light the strengths and weaknesses of ballot propositions and assess the potential for government expenditures or actions to efficiently achieve beneficial outcomes for citizens.

REPORTHIGHLIGHTS

- If voters approve the tax, a homeowner would pay $79 more annually on each $100,000 of property value above the $75,000 homestead exemption. For example, the owner of a homestead-exempt property valued at the parishwide average home sale price of $224,000 would pay $117.71 more in property taxes per year.
- Jefferson Parish has the largest public school system in Louisiana, with more than 51,000 students and an almost $500 million General Fund budget. More than 80% of the School System's students come from low-income households, 18% have special education needs and 14% have limited English proficiency.
- Jefferson's academic performance has fallen during the last five years. It received a "C" rating from the State in 2018. Its high school graduation rate, 71.8%, ranks 61st out of Louisiana's 69 school districts.
- The School Board projects a $33.3 million total annual cost to implement the new pay plan. It would supplement the $28.8 million in new tax revenue with $4.5 million from current revenues. The School System would direct 73% of new tax revenue to teacher pay raises and incentive stipends. The remaining 27% would fund a portion of support staff pay raises. Current revenue would cover all school and district leader raises and a portion of support staff raises.
- The School System has lost more than 1,500 teachers during the last three years. In the 2017-18 school year, it lost 16% of its teachers. It particularly struggles to retain early career teachers. It also struggles to fill teaching positions in certain content areas and in its schools with large concentrations of English language learners and students from low-income households.
- The School System's current entry-level teacher salary, $41,199, is nearly $3,000 (or about 7%) lower than the southeastern Louisiana regional average. Many area districts offer higher entry-level salaries. Charter schools have more discretion in setting individual teacher salaries than traditional school districts. Charters in New Orleans and Jefferson Parish reported average starting teacher salaries that range

INBRIEF CONTINUED ON NEXT PAGE

from significantly below the School System's current level to significantly above it. Under the new plan, the School System's entry-level teacher salary would rise to $46,000.

- BGR evaluated whether the tax is necessary. The tax would allow the School System to boost teacher salaries to regionally competitive levels and provide stipends to teachers exhibiting high performance or filling high priority needs. The School System's own experience in attracting and retaining teachers, combined with national research findings and evidence of a statewide teacher shortage, indicate that pay raises and stipends could help reduce teacher turnover and recurring shortages. The tax would also allow the School System to meet its objective of paying all support staff above poverty-level wages. The School System has implemented spending efficiencies, but its current revenue sources are not sufficient to cover the large recurring expenditures that the new pay plan would require.
- BGR analyzed whether the tax is appropriately sized. The School System arrived at the proposed 7.9-mill rate by calculating how much the new pay plan would cost if implemented in the 2019-20 school year with all current staff in place. Although it is impossible to determine the exact amount of raises required for the School System to achieve sufficient teacher attraction, retention and quality, the proposed plan would strengthen the School System's competitive position in the job market. It also strategically targets revenue to areas of greatest demonstrated need. At the same time it limits raises for later career teachers whose current salaries are more competitive with those of other area districts. The new support staff salary schedules also distribute revenue strategically to specified objectives.
- Finally, BGR reviewed whether the tax revenue would be well spent. If the tax passes, the School Board will use the revenue to implement the pay plan it has already approved. This assures voters that almost three quarters of the new tax revenue would go towards improving teacher attraction, retention and quality. In addition, the School Board recently adopted a five-year strategic plan that commits the School System to rapid growth in student achievement. The strategic plan includes initiatives to improve teacher support that are complementary to the pay increases. The tax revenue therefore stands a greater chance of making a positive impact as part of the School System's structured effort to transform its professional culture and improve student achievement. Overall, there are multiple indications that the tax revenue would be well spent.
- Based on its independent analysis using the framework in this report, BGR finds that the current proposition overcomes the key deficiencies of the School System's failed 2017 pay raise tax proposition. That proposal sought across-the-board raises without a thorough analysis of staffing needs and compensation disparities. It also did not seek budgeting efficiencies for cost savings or consider other priority needs, such as facilities. The new proposal offers taxpayers a better way to direct new revenue to the School System's high-priority compensation needs.

BGRPOSITION

FOR. The Jefferson Parish Public School System has returned to voters with a more well-developed pay raise proposal than the one voters rejected in 2017. Revenue from the proposed tax would allow the School System to boost teacher pay to levels that are competitive with other area districts. More competitive salaries would help the School System overcome high teacher turnover and recurring shortages that negatively impact student achievement and drive up costs. The tax would enable the School System to implement a new pay plan that directs revenue to high-priority needs identified through its analysis of staffing trends. While the School System acknowledges that the support staff raises are not necessary to fill positions, they would eliminate existing compensation inequalities and ensure that all employees earn above poverty line wages. In addition, they would help the School System attract and keep superior employees. Although it has sought budget efficiencies, the size of raises necessary to sufficiently increase competitiveness requires additional revenue. The School Board has maximized the potential impact of higher salaries by adopting a comprehensive strategic plan that commits the School System to significant growth in student achievement by 2024.

If voters approve the tax, BGR recommends that the School System regularly review the effectiveness of the pay raises and incentive stipends in attracting and retaining high-quality employees.

INTRODUCTION

On May 4, Jefferson Parish voters will decide whether to authorize a new 7.9-mill property tax for their public schools. The proposed 10-year millage would be dedicated to increased pay for teachers and other school system employees. The tax would generate approximately $28.8 million in the first year.[1]

This report is intended to help voters make an informed decision on the proposed tax. It begins with an overview of the proposition. It then provides relevant background and an analysis grounded in BGR's mission of promoting the effective use of public resources. The report concludes with BGR's position on the tax.

OVERVIEW OF THE PROPOSITION

The Jefferson Parish School Board (School Board) has proposed levying the new 7.9-mill property tax parishwide for 10 years, beginning in 2019. The new tax would increase the total millage rate for the Jefferson Parish Public School System (School System) from 22.91 mills to 30.81 mills, an increase of 34%. The tax would be subject to the homestead exemption. For estimates of the impact on individual taxpayers, see the sidebar "The Taxpayer's Bottom Line" on page 2.

The proposition would dedicate the tax proceeds to "the payment of salaries and benefits of teachers and other school employees."[2] The School Board is seeking the tax because it views its current pay scales as inadequate to attract and retain high-quality employees to support students' academic growth. Voter approval of the tax would also cause new School System salary schedules to take effect in the 2019-20 school year. If the tax proposition fails, the current salary schedules will remain in place.

The proposed pay plan raises the pay of all certified teachers and most support personnel. It slightly increases starting pay for noncertified teachers. Noncertified teachers have at least a bachelor's degree, but not a teaching credential that is recognized by the State of Louisiana (State). The plan would not cut any current employee's pay, although it would reduce the highest potential earnings for some positions. The pay plan would:

- Increase the base salary for new certified teachers by 12%, from $41,199 to $46,000, while at the same time decreasing the annual increase for each year of work from $600 to $500.
- Raise the annual base pay for teachers by $3,625 on average.
- Raise annual pay for support staff by an average of $2,315 to $2,982, depending on the support area.

TABLE 1: PROJECTED ANNUAL COSTS OF PROPOSED PAY PLAN

	Average Amount or Range	Projected Initial Annual Cost, Inclusive of Related Expenditures*	Portion Funded with New Tax Revenue
Pay Raises			
Teachers**	$3,625	$15,640,000	All
Instructional support staff	$2,711	$3,997,000	Majority
Clerical staff	$2,977	$2,025,000	Majority
Custodial staff	$2,982	$1,706,000	Majority
Cafeteria staff	$2,315	$1,233,000	Majority
Transportation staff	$2,859	$1,022,000	Majority
School and district leaders	$7,078	$1,977,000	None
Incentives			
Teacher stipends	$1,000-$7,500	$5,400,000	All
Principal stipends	$2,000	$300,000	None
Total Cost		**$33,300,000**	

* Related expenditures include pension contributions, Medicare withholding, unemployment insurance and worker's compensation insurance.
** Includes certified and noncertified teachers

- Establish the equivalent of a $15-per-hour wage floor for all employees.

In addition, the pay plan would introduce incentives in the form of stipends for teachers and principals. It would also introduce new salary schedules for school and district leaders that would raise pay for the majority of current leaders.

As a result of the pay plan, the School System would direct 73% of new millage revenue to teacher pay raises and incentive stipends. The remaining 27% would fund a portion of the support staff pay raises.

In all, the School Board projects a $33.3 million total annual cost to implement the entire plan. The School System plans to supplement the $28.8 million in new tax revenue with $4.5 million from current revenues that it will make available through new budgeting efficiencies. The additional money would fund the remaining support staff pay raises and the raises and stipends for school and district leaders.

The School System would not directly pass through any revenue from the proposed tax to Jefferson Parish's charter schools. However, passage of the tax would increase the amount of local charter funding. State law requires that all charter schools, except those authorized by the State prior to 2008, receive a pro-rata share of school district sales and property tax revenue that is not dedicated to capital outlay or debt service.[3] If the tax passes, the School System's property tax revenue will increase, thereby increasing Jefferson Parish charter schools' pro-rata amount of local funding.

THE TAXPAYER'S BOTTOM LINE

In Jefferson Parish, not all millages are levied parishwide, so the total tax rate varies depending on a property's location. However, the School Board's new tax would apply parishwide. For example, assuming other millage rates remain the same as in 2018, the new tax would add 7.9 mills to the total rates of 113.40 mills in unincorporated Metairie, 114.25 mills in unincorporated Terrytown, 82.78 mills in the City of Kenner and 97.88 mills in the City of Westwego.*

A homeowner would pay $79 more annually on each $100,000 of property value above the $75,000 homestead exemption. For example, the owner of a homestead-exempt property valued at $224,000 would pay $117.71 more per year.** BGR estimates that a commercial property owner would pay $110.60 more annually per $100,000 of property value.***

If voters reject the proposition, the overall property tax rate for the School Board would remain at 22.91 mills.

* BGR calculations based on 2018 millage rates compiled by the Jefferson Parish Assessor's Office. See http://www.jpassessor.com/resources/millages-wards.

** BGR calculated the homeowner impact using a value of $224,000 based on data from the New Orleans Metropolitan Association of Realtors, which show the average sale price for a single family home in Jefferson Parish during the 12 months ending December 2018 was $223,648. See New Orleans Metropolitan Association of Realtors (NOMAR), "Market Statistics," http://www.nomar.org/gsrein-mls-public/market-statistics-public.html.

*** BGR assumes that land value accounts for 20% of total value for commercial properties.

BACKGROUND AND CONTEXT

This section discusses the origin of the proposed tax. In addition, it provides an overview of the School System's student population, academic performance, finances and employees.

Origin of the Proposed Tax

This is the School Board's second attempt to win voter approval for a new property tax for employee pay raises. In 2017, voters narrowly rejected an 8.45-mill tax to fund across-the-board raises for teachers and other School System employees.[4] After the loss, the School Board began deliberating a second attempt at a pay raise millage.

In early 2018, the School Board hired a new superintendent (Superintendent), who began analyzing employee compensation. At the same time, the School Board continued to contemplate a possible tax for school facility improvements. It had engaged an outside consulting group to develop a facilities master plan (Master Plan) for bringing the School System's aging school facilities up to 21st century standards and aligning facilities with enrollment needs and trends. The School Board planned to use the completed Master Plan to develop a millage proposition for general obligation bonds to fund new facilities construction and upgrades. In October 2018, the School Board accepted the approximately $708 million Master Plan as presented by the consultants.

In December 2018, the Superintendent presented his proposed pay plan, and the School Board unanimously approved a resolution putting the current 7.9-mill pay raise proposition on the May 4, 2019 ballot. That same resolution also sought voter approval for the issuance of general obligation bonds to fund the Master Plan, which would require a separate 8.31-mill tax. However, the School Board reconsidered its decision to proceed with both taxpayer requests. In January 2019, Board members voted seven to two to remove the facilities bond millage from the ballot. Board members who supported this decision reiterated the need to implement the Master Plan. However, they believed they needed to gain voters' trust by demonstrating effective stewardship of the pay raise millage before asking for a second tax.

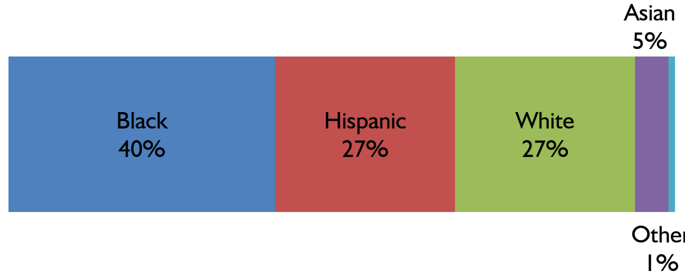
The School System Today

Jefferson Parish has the largest public school system in Louisiana. It enrolls more than 51,000 students in grades pre-K through 12. About 45,500 students attend the 80 schools directly operated by the School System, while charter schools enroll about 5,800, or 11%, of Jefferson Parish students.[5]

As shown in Chart 1, Jefferson Parish's public school population is diverse, with black, Hispanic and white enrollment each accounting for more than 25% of total enrollment. In addition, 82% of students come from low-income households, 18% have special education needs and 14% have limited English proficiency.[6]

The School System has a General Fund budget of nearly $500 million. In the 2017-18 school year, it employed about 3,400 teachers (including approximately 300 noncertified teachers) and 3,800 other employees.

CHART A: JEFFERSON PARISH PUBLIC SCHOOL ENROLLMENT

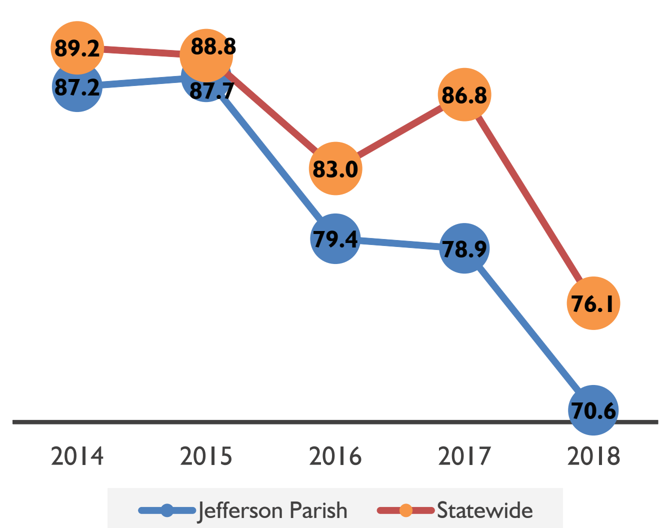


Source: Information provided by Jefferson Parish Public School System. Includes Jefferson Parish charter schools.

Academic Performance. Student achievement, as measured by the State's district performance score has declined in recent years, as shown in Chart B, and remains below the statewide level. The School System scored 70.6 (C letter grade) on a scale from zero to 150 under the more rigorous scoring system introduced in 2018.[7]

The School System's high school graduation rate fell from 75.7% in 2015-16 to 71.8% in 2016-17. It is below the statewide rate of 78.2%, and ranks 61st out of

CHART B. JEFFERSON PARISH SCHOOL SYSTEM PERFORMANCE SCORE VS. STATE, 2014-2018



Source: Louisiana Department of Education

Louisiana's 69 school districts.[8] Chart C illustrates the decline compared to the statewide average.

Financial Picture. The School System anticipates $477.4 million in General Fund revenue in fiscal year 2019, with local sales and property taxes accounting for slightly more than half of the total. As Chart D shows, State sources, most importantly Minimum Foundation Program (MFP) funding, comprise almost the entire balance. The School System separately accounts for almost $75 million annually in federal grant funding.

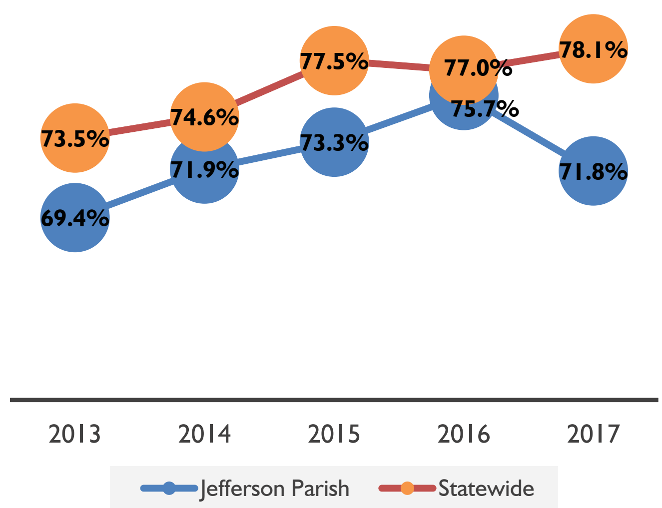
The School System's 2019 General Fund expenditure budget totals $476.6 million. Salaries account for 50% of expenditures, while benefits are another 27%. In addition to personnel and other expenses, the School System must pass through State and local MFP funding to charter schools. This funding is based on their enrollment counts and student characteristics. Charter pass-through funding accounts for $29 million, or 6%, of 2019 budgeted expenditures.

In addition to the General Fund budget, the School System directs local tax revenue to debt service and capital expenditures. As shown in Table 2, these expenditures consumed about 10% of fiscal year 2018 property and sales tax revenue.

Employees. Like most other U.S. school systems, Jefferson Parish uses a salary schedule based on years of experience (steps) and education level (lanes).[9] Jefferson Parish is one of only a few school districts in Louisiana that has a collective bargaining agreement with its employees.[10] The Jefferson Federation of Teachers (Teachers' Union) participates in negotiations with the Superintendent on the salary schedules for teachers and other School System employees. The School Board must approve all salary schedules.

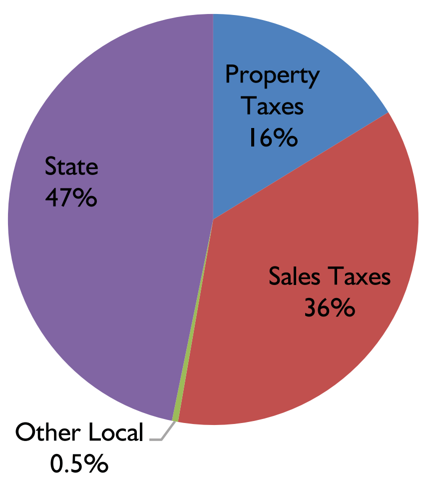
Louisiana law enables school districts to include performance and critical needs as factors in teacher pay. Act 1 of the 2012 legislative session requires school systems to base salaries for teachers, administrators and other certified school personnel on three criteria. No single criterion may account for more than 50% of total salary:

CHART C: HIGH SCHOOL GRADUATION RATES, JEFFERSON VS. STATE, 2014-2018



Source: Louisiana Department of Education, District and State Graduation Rates

CHART D: SCHOOL SYSTEM GENERAL FUND REVENUE AT A GLANCE



Source: Jefferson Parish Public School System 2018-19 Budget

TABLE 2: TOTAL SCHOOL SYSTEM TAX REVENUE

	General Fund	Debt Service and Capital Projects	Total
Property tax	$76.3	$10.6	$87.0
Sales tax	$177.7	$17.0	$194.7
Total	**$254.1**	**$27.6**	**$281.7**

Source: Jefferson Parish Public School System Comprehensive Annual Financial Report, Fiscal Year Ended June 30, 2018

- Effectiveness, as determined by the State's performance evaluation program.
- Demand, including certification area, particular school need, geographic area and subject area, including advanced degrees.
- Experience.[11]

To comply with Act 1, the School System implemented a salary schedule for teachers and principals that tied step increases for experience to annual achievement of a State rating above "ineffective" and continued its lane increases for advanced degrees.[12]

For noncertified personnel, the salary schedule is based solely on experience. For example, School System support staff receive pay increases for each additional year of employment.

In the past 15 years, both School System teachers and support staff have received pay raises. The School Board sought voter approval for the largest one, a 9-mill tax for teacher pay raises approved in 2003 and renewed in 2012. Teachers and school-based support staff received $250 raises in 2018.[13] The School System's current contract with the Teachers' Union, adopted in 2015 and extended through 2021 did not increase teachers' salary schedule. It also does not require the School Board to consider a pay increase.

ANALYSIS

In this section, BGR analyzes the tax proposition on the basis of three questions related to efficient and effective use of public resources: Is the tax necessary? Is it appropriately sized to the need? And, will the tax revenue be well spent?

Is the Tax Necessary?

Public school systems provide a core public service and, in Louisiana, have separate funding from other local governments. The Louisiana Constitution limits the millage rate for each district's general purpose property tax, but authorizes school districts to seek additional taxes for a specific purpose.[14]

"School System officials say the proposed tax is necessary to make Jefferson Parish teacher pay more competitive with teacher compensation in other area school districts. They reason that more competitive pay will help them attract and retain the quality teachers needed to improve student achievement."

Tax dedications restrict revenue to the uses authorized in the ballot proposition approved by voters, even if the tax recipient's needs change over time. Dedicated tax revenue cannot be redirected to other purposes, no matter how great the need, unless voters approve a tax rededication.

For this reason, a school system proposing a dedicated tax bears a burden of proof to voters that (1) there is a clear, high priority need for additional revenue, (2) it sought efficiencies in current spending, and (3) the proposed tax is the best way to meet the need.

Because of the complexity of the proposed pay plan, BGR will separately analyze the School System's revenue needs and compensation plans for teachers and support staff. The section will then discuss the efficiencies and funding alternatives to the proposed tax for the School System as a whole.

Assessing the Need for Increased Teacher Compensation. School System officials say the proposed tax is necessary to make Jefferson Parish teacher pay more competitive with teacher compensation in other area school districts. They reason that more competitive pay will help them attract and retain the quality teachers needed to improve student achievement.

The School System has struggled with teacher attraction and retention. As Chart E shows, during the past three school years, it lost 1,555 teachers. In the 2017-18 school year, it lost 16% of its teachers. During the 2015-16 school year, Louisiana as a whole lost 13% of its public school teachers and southeast Louisiana lost 16%.[15]

Despite a robust summer recruitment campaign, it still started the 2018-19 school year with 39 vacancies. School System officials report that 24% of classes are currently taught by noncertified teachers or teachers not certified in the class' specific content area. This compares to 14% for southeast Louisiana public schools in the 2016-17 school year.[16]

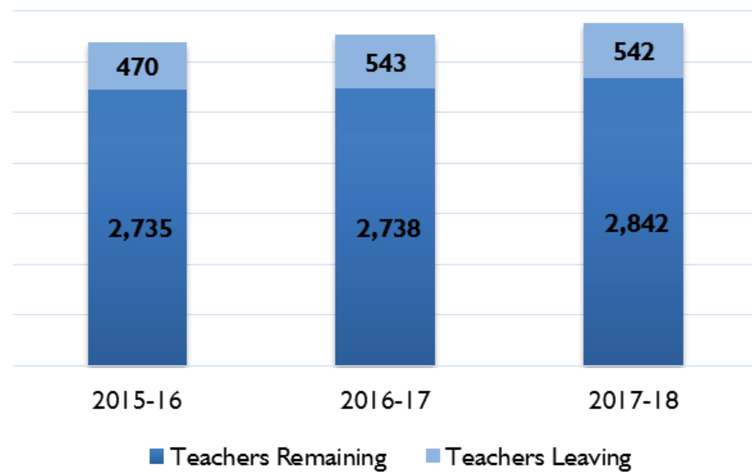
One of the major areas of retention problems is with early career teachers. In the 2016-17 school year, the School System retained only 64% of teachers with a year or less experience, and only 71% of teachers with two to five years of experience. As Chart F shows, the more years of experience teachers have, the more likely they are to stay with the School System, until they near retirement.

School System officials and parish educators note that it is common for new teachers to begin their careers in Jefferson Parish and then leave for higher-paying school districts after gaining a few years of experience, and, if noncertified, earning their teacher certification. In addition, recruiters report losing numerous candidates to higher-paying districts. The average School System teacher salary is $49,590. This salary is $298 below the southeast Louisiana regional average, but $1,149 above the statewide average.[17] However, the School System's starting salary for certified teachers, at $41,199, is about 7% below the regional average of $44,168 and 5% below the state average of $43,345.[18] Because the regional and state averages include uncertified teachers, it is likely that the averages for certified teachers are higher.

The teacher salary schedule that the School System would implement if the tax passes would boost entry level certified teacher pay above most area districts. It would also ensure that salaries remain competitive throughout a teacher's career. The report's section analyzing the appropriateness of the size of the tax will discuss raise amounts in greater detail.

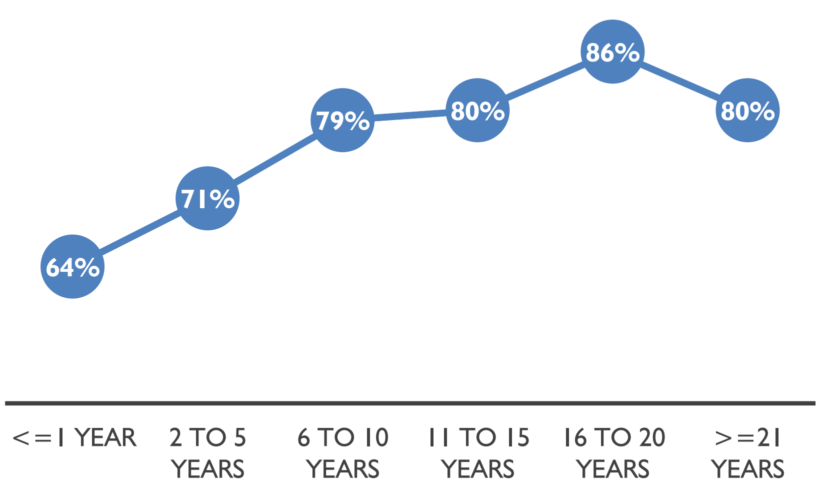
In addition to base pay raises, the proposed

CHART E: TEACHERS LOST DURING THE LAST THREE YEARS



Source: Jefferson Parish Public School System. Includes certified and noncertified teachers.

CHART F: TEACHER RETENTION BY YEARS OF EXPERIENCE



Source: Jefferson Parish Public School System. Data from 2016-17 school year. Includes certified and noncertified teachers.

pay plan also includes stipends that provide teachers additional pay for demonstrating effectiveness, helping fill critical shortages, or performing additional roles and responsibilities. Table 3 outlines each stipend.

The School System's need for improved teacher attraction and retention is evidenced by its loss of more than 1,500 teachers during the last three years, its inability to hire enough teachers for every classroom and its elevated percentage of classes taught by uncertified and out-of-content area teachers. Research shows that poor teacher retention has negative consequences for schools. The cost of replacing a teacher who leaves an urban school district exceeds $20,000 on average, and high turnover rates reduce student achievement.[19]

The School System's falling academic performance also points to its need to improve teacher quality, one of the most important drivers of student achievement. The Superintendent designed the new teacher salary schedule and stipends to boost student achievement by reducing teacher turnover and attracting more highly effective teachers. Teacher effectiveness tends to increase most rapidly during the first few years of a teacher's career.[20] Currently, the School System is losing many teachers during their peak growth period, and often replacing them with less experienced and less effective teachers. The new salary schedule aims to break this cycle by providing early career teachers a greater financial incentive to stay with the School System and continue to increase their effectiveness.

Pay raises will only be effective if they have a substantial impact on teacher attraction, retention and quality. The Superintendent maintains that while pay may be the most important factor in teacher recruitment, raises alone won't drive retention. To address retention holistically, the School System is also working to improve school-level leadership and workplace culture.

The School System is not the only district experiencing difficulty finding enough qualified teachers. State education officials acknowledge that Louisiana is experiencing a teacher shortage, which is contributing to staffing issues for many districts. Completion of teacher certification programs fell statewide from 2,802 in the 2010-11 school year to 2,166 in 2015-16, a 23% drop.[21] Theoretically, if the supply of teachers contracts, districts must increase salaries in order to hire the number of teachers they need.

TABLE 3: PROPOSED TEACHER STIPENDS

	Eligibility	Amount
Performance	• Receive State rating of "Highly Effective" • Eligible every year rated "Highly Effective"	$1,000 - $2,000*
Content Area	• Certified teacher in content area with more open positions than qualified applicants (currently high school math and science, special education and English as a second language) • Eligible as long as teaching in critical area	$1,000
Target School	• Teach at a school with enrollment that is at least 90% low-income or 30% English language learner. • First year at target school only (stipend paid at end of school year)**	$2,000
Teacher Leader	• Selected and perform additional defined responsibilities • Eligible as long as performing defined responsibilities	$1,000
Master Teacher	• Selected and perform additional defined responsibilities • Eligible as long as performing defined responsibilities	$7,500

* The pay plan provides teachers rated highly effective under the State's teacher rating system with a stipend of $2,000 if they teach classes subject to statewide testing, or $1,000 if they teach classes such as physical education, music and art, which are not subject to statewide testing.
** Principals at the 25 target schools would receive about $25,000 to $30,000 to offer additional stipends to current teachers participating in after school tutoring and other supplementary programs.

On an empirical level, research has found that salaries affect teachers' employment decisions. These findings include:

- Positive effects of salary on duration of teaching stay
- Lower likelihood of movement to another school district when the current district salary is higher than those of other area districts
- Lower likelihood of leaving the teaching profession if in a district with a higher salary relative to salaries for college graduates in other employment sectors in the region.
- Large salary premiums may be necessary to overcome higher teacher turnover rates at urban schools.[22]

Analyzing data from a national survey, researchers found that 13% of teachers who voluntarily left the profession (leavers) included wanting or needing a higher salary as a factor in their decision. Among teachers who voluntarily moved to another school (movers), 27% included financial reasons as a top factor in their decision.[23] Pay was not the only motivating factor, however.

The researchers found that both leavers and movers commonly named non-financial reasons as important in their decisions. Among leavers, 55% cited "dissatisfaction" as being a very important reason for exiting the teaching profession. Many of them named assessments and accountability measures and school administration as particular areas of dissatisfaction. Also, 66% of movers cited dissatisfaction as a key reason for changing schools. They most commonly listed dissatisfaction with school administration, lack of influence on school decision making and school conditions such as resources and facilities. Research has also found that, after controlling for other factors, teachers' likelihood of leaving is higher in schools with academically struggling students.[24]

Existing research presents a mixed review of the effectiveness of teacher incentive stipends. Some studies have found evidence that performance pay programs have modest positive effects on student test scores. The magnitude of the effect varies greatly depending on program design and implementation context.[25] An evaluation of a large federally-funded performance pay program found evidence that stipends led to higher performance ratings among teachers who stayed at their schools. This indicates that stipends helped schools retain their more effective teachers or motivated teachers to improve.[26]

"Master teachers would share instructional leadership with principals, and be required to work a minimum of 10 additional contract days per year. Teacher leader responsibilities would include professional development planning and delivery and supporting teacher teams."

Recent research has found positive effects of some financial incentive programs on teacher retention at challenging schools and in critical content areas.[27] In some cases, reduction in teacher turnover only occurred where schools offered larger maximum incentives.[28] This suggests that the School System's proposed content area and target school stipends could help it meet its teacher needs in these particular areas.

The master teacher and teacher leader positions included in the new pay plan offer the School System another means to retain its best teachers. These positions fill a gap in the existing staffing model. They also leverage resources by expanding the potential impact of the most effective teachers on their schools. Master teachers would share instructional leadership with principals, and be required to work a minimum of 10 additional contract days per year. Teacher leader responsibilities would include professional development planning and delivery and supporting teacher teams. The Superintendent designed the new teacher leadership positions in accordance with the National Institute for Excellence in Teaching's (NIET) model for providing teachers multiple career paths. This model has been implemented in schools across the nation for two decades.

In summary, the School System's own experience in attracting and retaining teachers, combined with national research findings and evidence of a statewide teacher shortage, indicate that pay raises and stipends could help reduce teacher turnover and the number of unfilled positions. Teachers, like most workers, consider salary in their employment decisions. The School System's entry-level teacher salary currently lags behind the southeast Louisiana regional average. Neighboring school systems with higher performing students and less challenging classrooms offer higher pay and provide an attractive teaching alternative. While most of the stipends may be modest in amount, teachers may receive multiple stipends. This could help offset the opportunity costs presented by higher wages in other employment sectors. In addition, the potential to earn several thousand dollars in stipend pay may help the School System attract the high performing teachers it needs to meet its student achievement goals.

Assessing the Need for Increased Support Staff Compensation. The proposed pay plan would introduce new salary schedules for all School System support staff, including instructional support (paraprofessionals), cafeteria, custodial, clerical and transportation staff. The Superintendent found that current salaries for many support staff positions fall below the poverty level.[29] He also found that their salary schedules were often inconsistent, with employees in the same position earning very different hourly wages depending on the number of hours worked. For example, as Table 4 shows, a cafeteria employee working four hours per day earned a salary equivalent to $14.95 per hour, while a cafeteria employee working seven hours per day earned a salary equivalent to $12.51 per hour – a difference of $2.44 per hour.

The proposed pay plan would bring all support staff salaries up to the equivalent of at least $15 per hour and fix the inconsistencies between salaries of staff members performing the same duties. Starting salaries for positions that are "underpaid" under the current salary schedule inconsistencies would see larger increases under the proposed plan.

The School System did not analyze support staff compensation vis-à-vis that of other area districts because it does not see competition with other districts as the issue with support staff pay. Rather, School System officials maintain that the current salaries of support staff do not reflect the value of these employees to the system's effort to deliver quality education. The current pay plan sets wages for some support staff below the poverty level. In addition, the Superintendent notes the higher selectivity required when hiring employees who will be working with or around children. All support staff must pass background checks and drug screenings, and the low current salaries make it difficult to attract and retain qualified employees.

The main intent of the new support staff salary schedules is not to help the School System ameliorate recurring staffing deficiencies or improve student achievement, but to ensure that all staff receive above poverty level wages and fair pay for their work to support student learning. By design, the new pay plan would accomplish those aims.

The proposed pay plan also includes new salaries for school and district leaders that would increase annual personnel expenditures by about $2.3 million. The new leader salaries account for about 7% of the total $33.3 million pay plan's costs. However, the School System would not use any revenue from the proposed tax to

TABLE 4: HOURLY WAGES FOR CAFETERIA WORKERS

	Current Pay Plan		New Pay Plan	
	4-Hour Cafeteria Worker	7-Hour Cafeteria Worker	4-Hour Cafeteria Worker	7-Hour Cafeteria Worker
Starting salary	$14.95	$12.51	$15.08	$15.08
Ending Salary	$15.69	$13.26	$16.67	$16.67

fund the new leader salaries, and it will not implement the changes unless the new tax passes. A discussion of the proposed leader salaries and stipends is presented in the sidebar "Proposed Leader Compensation."

Consideration of Efficiencies. The School System has used existing funding sources twice in the last two school years to provide relatively modest pay raises or stipends. At the end of the 2017-18 school year, it used more than $10 million from the unrestricted portion of its General Fund balance to pay school-based staff one-time stipends ranging from $500 to $2,000. In the 2018-19 school year, the Superintendent eliminated 10 central office positions. This freed up enough revenue to offset about half of the projected $2.3 million required to provide $250 raises for teachers and school-based support staff.

The School System also hired a national educational consultant in 2018 to examine its federal grants budgets and identify areas for more effective and efficient expenditures.

The pay plan that will go into effect if the millage passes requires $4.5 million in funding beyond the proceeds from the proposed tax. The Superintendent is in the process of analyzing the academic return of several existing programs, and is optimistic that he can find sufficient internal funding by eliminating or streamlining the least effective programs.

Employee benefits account for more than one quarter of General Fund expenditures, and they are a cost over which the School System has limited control. Historic underfunding of the State's pension systems for teachers and school employees have created large required employer contributions.[30] However, State law requires the School System to participate in the pension systems, and it determines contribution rates. As costly as the School System's retirement spending is, it must pay the required contribution rate.

Overall, the school system cannot free up enough revenue through efficiencies alone. Even a smaller pay raise plan than the one proposed would require substantial

PROPOSED LEADER COMPENSATION

The Superintendent's analysis of leadership compensation found that under the current system, there were often wide discrepancies between the salaries of district leaders holding the same positions and performing the same responsibilities.* The current pay plan allows the superintendent broad discretion in determining the salaries for district leaders. Currently, the superintendent may assign any salary from within the plan's stated range for each position.

The proposed pay plan changes compensation for district leaders by tying salaries for these positions to teacher salaries. The plan calculates each leader's salary as a ratio of teacher salary. For example, a social studies coordinator, with a master's degree and 10 years' experience would receive a salary 1.2 times that of a teacher with a master's degree and 10 years' experience.

For principals and assistant principals, the School System's current pay plan uses a salary schedule similar in structure to the one used for teachers. It increases their salary for each additional year of work and for higher education levels. The new pay plan would tie principal and assistant principal salaries to a ratio of teacher salaries. For example, an elementary school principal, with a master's degree and 15 years' experience would receive a salary 1.55 times that of a teacher with a master's degree and 15 years' experience.

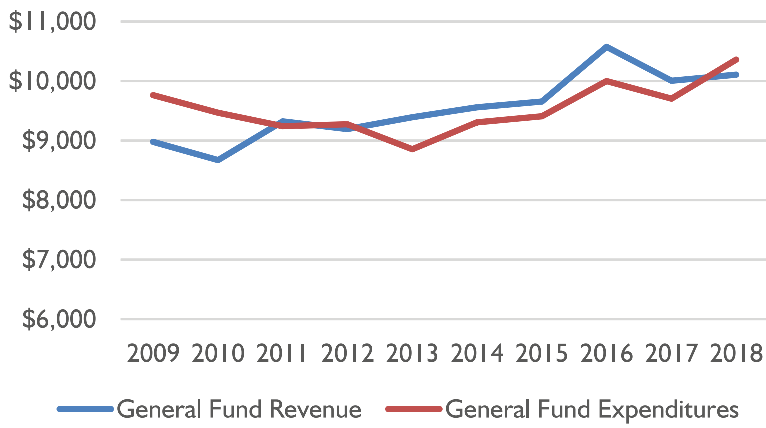
The Superintendent designed the ratio system in the proposed plan to eliminate the inequalities allowed under the current system. He determined the ratios by looking at current average pay across the same positions, as well as considering salaries for similar positions in other area school districts.

The new pay plan also includes $2,000 stipends for principals receiving a "highly effective" State rating and $2,000 stipends for 10 principal leaders who will perform additional responsibilities related to training and mentoring prospective principals. The Superintendent included the principal performance stipends in the new pay plan as part of his effort to attract and retain the best leaders. He told BGR that principal leaders, a designation that does not exist in the School System's current staffing model, will play a critical role in developing future school leaders in-house.

* District leaders include coordinators, directors, executive directors, and chiefs. The new pay plan does not include the superintendent's salary, which is directly negotiated by the School Board.

cuts to the School System's current non-personnel expenditures. For example, a $20 million pay raise plan would require cutting other expenditures by almost 25%. Because more than three quarters of the School System's budget is personnel cost, other operational expenditures would require severe cuts. This could create problems for facilities, transportation, curriculum and other school supports.

CHART G: JEFFERSON PARISH PER-PUPIL GENERAL FUND REVENUE AND EXPENDITURES, 10-YEAR TREND



Source: BGR calculations based on General Fund revenue and expenditure reported in School System Comprehensive Annual Financial Reports for fiscal years 2009 to 2018 and Jefferson Parish October 1 Minimum Foundation Enrollment for 2008 to 2017.

Alternative Funding Options. The School System's General Fund budget has limited capacity to fund additional raises. It cannot absorb the full cost contemplated in the proposed pay plan.

As shown in Chart G, since 2013, the School System's General Fund revenue per pupil has generally exceeded expenditures per pupil, although expenditures surpassed revenue in fiscal year 2018. During the last 10 years revenue per pupil has remained flat (1.3% average annual growth) and average annual growth in expenditures per pupil has been minimal (0.7%). Enrollment growth has offset any revenue growth. Adjusted for inflation, revenue per pupil in 2018 was $432 less than in 2009, and expenditure per pupil was $1,103 less.

The recent General Fund surpluses, along with a large one-time post-Katrina payment from the federal government and the proceeds of the 2016 BP settlement have allowed the School System to build a General Fund balance of about $157 million. This is shown in Chart H on the next page. However, only about $82 million, the equivalent of 17% of General Fund expenditures, is unassigned. The School Board has committed by policy another $42.5 million to be used only if a supermajority of the School Board declares an emergency. It has assigned $17 million, most of which came from the BP settlement, to investment and finalized but unpaid purchases.

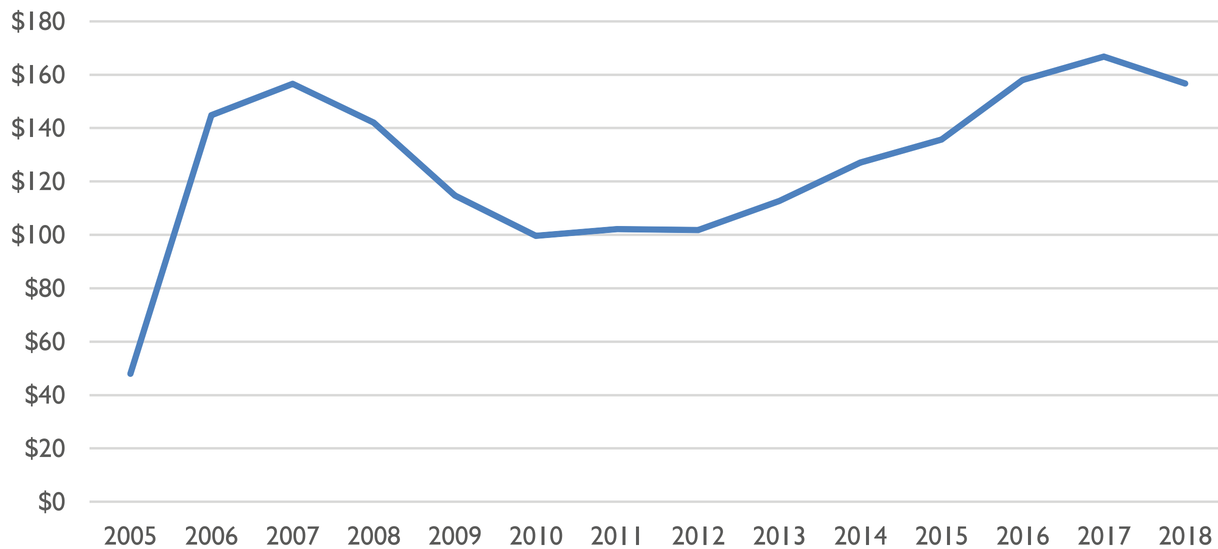
About $11.7 million of the general fund balance is restricted, and can only be used for teacher pay raises.[31] However, the pay raises implemented in 2005 following voter approval of the existing 9-mill teacher pay raise tax now cost more than the tax annually generates. The School System uses the restricted portion of the fund balance to make up the difference. Once it has consumed the restricted fund balance, the School System must use other revenue sources to fully cover the costs of the 2005 raises. The remainder of the General Fund balance, $3.3 million, consists of prepaid expenses.

Although the $82 million unassigned fund balance could cover the costs of the proposed pay raises for a few years, it would not be sufficient to fund these expenditures on a recurring basis. Furthermore, best practices advise that fund balances should not be used for recurring expenditures.[32]

The School System could direct the approximately $2.3 million in current revenue earmarked for new school and district leader salaries to teacher and support staff raises. However, this would not come close to covering the costs of the raises included in the proposed plan.

Louisiana's Governor has announced plans to seek State-funded teacher and support staff pay raises. He has proposed $1,000 raises for teachers and $500 raises for support staff. However, if approved by the Legislature, these raises would be applied to teacher salaries

CHART H: JEFFERSON PARISH PUBLIC SCHOOL SYSTEM, GENERAL FUND BALANCE, 2005 TO 2018



The School System's general fund balance swelled from $48.0 million in 2005 to $144.8 million in 2006, largely the result of an influx of one-time federal dollars for post-disaster assistance.

Source: Jefferson Parish Public School System Comprehensive Annual Financial Reports for fiscal years 2005 to 2018

across the State. Thus while increasing Jefferson Parish teacher salaries, the raises would not improve the School System's competitive position amongst other districts. It would still require revenue from a new source to boost teacher pay above other area districts.

However, if the Legislature approves the Governor's proposed $500 raise for school support staff, the School System may not need the full $10 million it budgeted for implementing this portion of the new pay plan. Unlike the teacher raises, School System officials are not proposing the support staff raises as a means to improve competitiveness vis-à-vis other area districts. The State funded raises could offset the amount of revenue the School System needs to meet the total cost of the support staff salaries specified in the new plan. It is uncertain if the Legislature will approve the State funded raises.

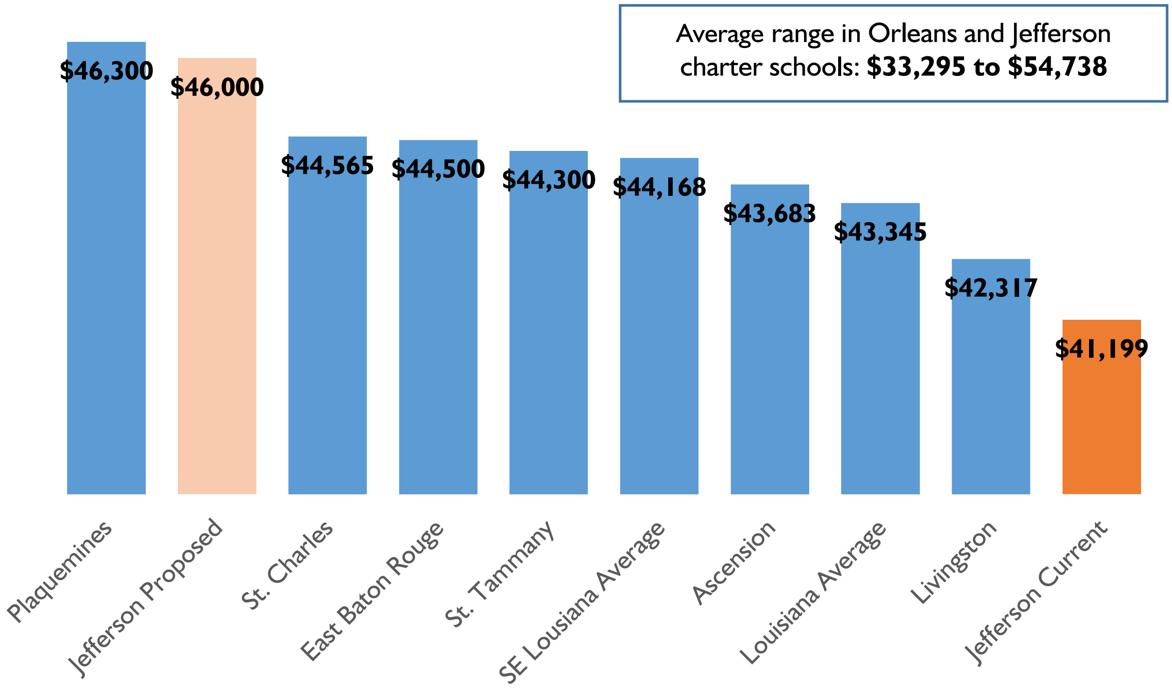
The School System needs to attract and retain more quality teachers in order to improve falling student achievement. Each year, it loses teachers and candidates to higher paying area districts. Research finds that higher salaries and targeted financial incentives may positively impact teacher retention. Although the School System has implemented spending efficiencies, its current revenue sources are not sufficient to cover the large recurring expenditures that the proposed pay raises would require.

Is the Tax Appropriately Sized to the Need?

The size of any dedicated tax should be aligned with the identified needs. A misalignment between a tax's size and the recipient's revenue needs can lead to inefficiencies. If the tax is too low, it might not generate sufficient revenue to provide necessary public goods or services. If the tax is too high, the entity may receive more revenue than its needs to fulfill the tax's dedicated purpose. However, it will not be able to redirect the surplus revenue to other unfunded needs, should they exist.

One of the Superintendent's criteria in developing the proposed pay raise tax was to keep the rate below the 8.45-mill rate of the pay raise tax proposition voters rejected in 2017. The Superintendent established the 7.9-mill rate for the proposed tax by calculating how

CHART I: STARTING TEACHER SALARIES*



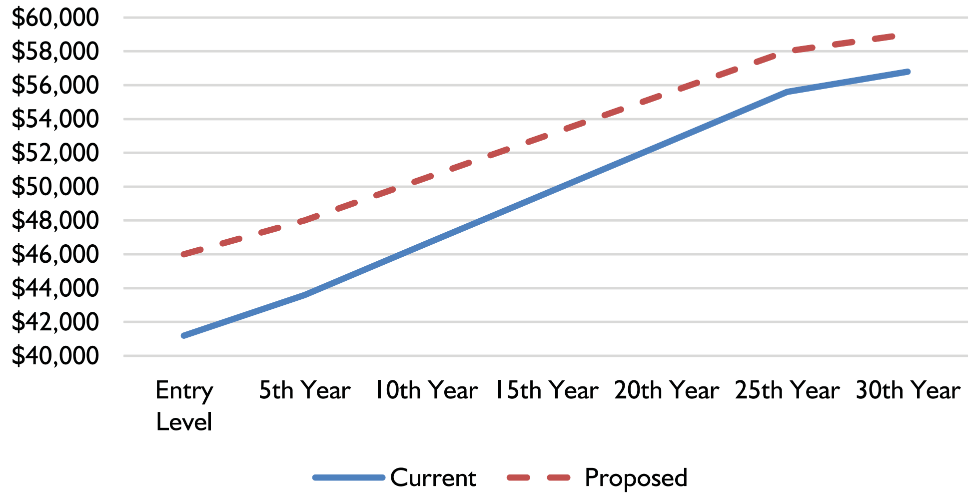
* The Orleans Parish School Board is not included because it directly runs only three schools and plans not to directly run any schools beginning in the 2019-20 school year. District starting salaries are for certified teachers with a bachelor's degree, as reported in the district salary schedules used during 2018-19 school year. District salary schedules apply only to certified teachers, except in Ascension Parish. Regional and statewide averages are from the Louisiana Department of Education's *2016-17 Educator Workforce Report, Southeast Region*. Regional and statewide averages include charter schools and noncertified teachers. Charter school salary data is from the Louisiana Department of Education's *2017-2018 Actual Average Salaries by Education Level and Years of Experience*, and includes first-year certified and noncertified teachers with a bachelor's degree. BGR considered averages below $30,000 or above 60,000 outliers and did not include them in the analysis.

much the new pay plan would cost if implemented in the 2019-20 school year with the current School System staff in place. The millage rate is based on actual staffing numbers and the experience and education levels of current employees. The Superintendent projected the number of teachers who would receive performance stipends.

Thus, the proposed tax should cover the costs of the new pay plan, without generating surplus revenue. However, the cost of the pay plan will likely vary slightly from year to year, as the overall experience level and size of the staff is not constant. The Superintendent also notes that if all elements of the new pay plan work as intended, teacher attraction and retention should improve. This could increase the number of teachers rated highly effective, and, in turn, the total cost of performance stipends.

While it is impossible to determine the exact amount of pay raises required for the School System to meet its staffing needs, there is some evidence that making teacher pay competitive with the area's highest paying districts could improve retention. The amount of the proposed raises would accomplish this. Chart I shows that Jefferson's current certified teacher starting teacher salary is lower than those of six other area districts, but it would rise to number two if the proposed pay raise millage passed. Charter schools have more discretion in setting individual teacher salaries than traditional school districts. They may not follow rigid salary schedules based largely on experience and education level like those used by districts. Charters in New Orleans and Jefferson Parish reported average starting teacher salaries that range from significantly below the School System's current level to significantly above it.

CHART J: CERTIFIED TEACHER BASE SALARIES



Under the current schedule, salary reaches its maximum in year 27 ($56,799). Under the proposed schedule, salary reaches its maximum in year 26 ($59,000).

Although all School System certified teachers would see a pay increase under the new salary schedule, the raises would be larger for early career teachers. The starting salary for a certified teacher would increase by $4,801, from $41,199 to $46,000. However, because the schedule also reduces the step increase for each additional year worked from $600 to $500, the raise amount decreases with years of experience. For example, the raise amount for a fifth-year teacher would be $4,401, and for a tenth-year teacher it would be $3,901. As Chart J shows, the new salary schedule gives a substantial boost to the starting salary in an effort to increase early career teacher retention, while decreasing the rate of salary growth. First-year, noncertified teachers would see a slight pay increase, but would have their salaries frozen at that level until gaining certification.[33]

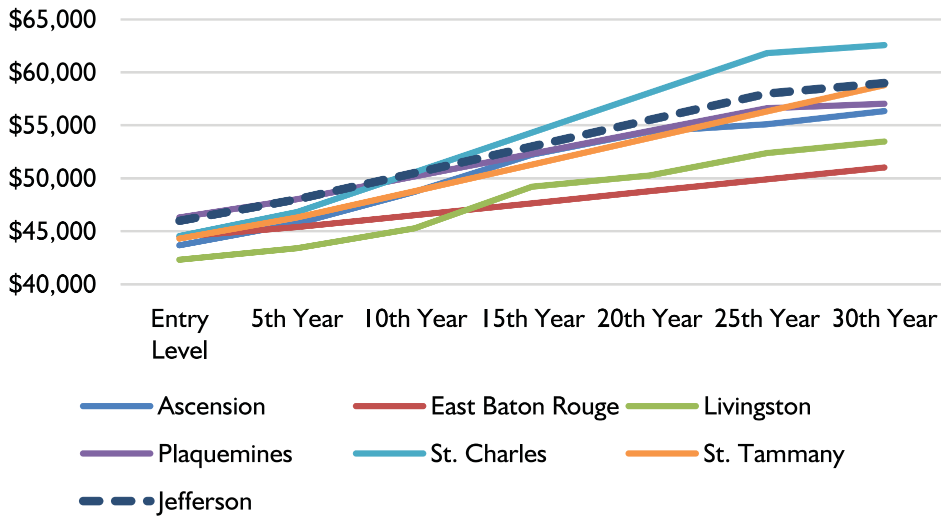
As Chart K shows, under the proposed plan, Jefferson Parish teacher salaries would stay competitive with those of other area districts throughout the course of a teaching career.

The School System's teacher performance stipend amounts, at $1,000 to $2,000, are higher than most other area districts' performance-based awards. Ascension, East Baton Rouge, Plaquemines and St. Tammany school districts offer teachers receiving a highly effective State rating awards, ranging from $500 to $1,200.[34] The School System's $1,000 content area stipends are lower than East Baton Rouge's $3,500 stipends for middle and high school math and science teachers and St. John's $5,000 stipends for special education teachers. Its $2,000 target school stipends are also slightly lower than St. John's $2,500 stipends for teaching in the district's lowest performing schools.[35] However, it is not possible to determine in advance the amount required to meet the individual objectives of the stipends. Research has found that context, design, implementation and stipend amount all play a role in the effectiveness of teacher stipend programs. As previously discussed, teachers may qualify for multiple stipends, which could help attract and retain teachers with skills that would allow them to earn higher salaries in non-teaching sectors.

Nationally, teachers unions do not support performance pay. Their preferences may limit district funding for performance-based stipends. Locally, the Teachers' Union supports the new pay plan, but would like to see the stipends for highly effective performance extended to teachers receiving the second highest effectiveness rating as well.

As with the proposed teacher salary schedule, the support staff salary schedules would provide the biggest boost to starting pay while decreasing the amount added to salary for each additional year worked. Positions that were "overpaid" as compared to other positions performing the same duties would receive much smaller raises under the new plan. In targeting revenue to historically underfunded positions, as opposed to offering one-sized across the board raises, the plan helps limit overall costs. Based on current employment levels, the School System projects total costs of support

CHART K: PROPOSED JEFFERSON TEACHER SALARIES COMPARED TO CERTIFIED TEACHER BASE SALARIES IN SOUTHEASTERN LOUISIANA SCHOOL DISTRICTS



Salary reaches its maximum in the 26th year in Jefferson, St. Charles and Plaquemines.

pay and eliminating existing inequalities. Overall, the proposed tax appears appropriately sized for implementation of the new pay plan and achievement of its immediate compensation objectives.

Will the Tax Revenue be Well Spent?

Like other tax dedications, school tax dedications can limit the discretion of elected school board members to redeploy tax revenues to address new circumstances. This can lead to allocations of tax revenues that are not aligned with a school system's most pressing needs. Tax dedications may also reduce taxpayers' tolerance for future millage requests despite the merits of the proposition. To minimize these risks, a dedicated tax proposal should offer voters:

- A clear plan for directing tax proceeds to high-priority needs
- Appropriate financial stewardship of and accountability for taxpayer dollars
- Evidence that demonstrates the potential for effective outcomes

Planning for High-Priority Needs. The Superintendent designed the proposed tax to fulfill the revenue needs of the new pay plan. The School Board has approved the new pay plan, provided the millage passes.

The specifics of this proposed pay raise millage were largely driven by the Superintendent and his findings. He told BGR that an internal working group spent months analyzing current employee compensation and employment trends, compensation in other school districts and recommended best practices. He also consulted with numerous stakeholders both inside and outside the School System. The new pay plan is specifically tar-

staff pay raises of just under $10 million, inclusive of retirement, benefits and other required expenditures. If the proposed pay raise millage passes, the School System plans on funding about $7.8 million of the support staff raises with millage revenue, and using existing revenue sources to cover the $2.2 million balance.

The proposed tax would meet the School System's revenue needs for implementing the new support staff salary schedules. However, as mentioned earlier, if the Legislature passes the Governor's proposed $500 raise for school support staff, the School System's cost of implementing the new salary schedules would be offset by State funding. If this happens, it is likely that the proposed tax would produce surplus revenue.

The proposed plan addresses the School System's competitiveness issue and strategically targets revenue to areas of greatest demonstrated need, while at the same time limiting raises for later career teachers whose salaries are already more competitive with those of other area districts. The new support staff salary schedules are also strategic in distributing revenue to meet specified objectives. They would allow all employees to earn at least $15 per hour, while reining in experience geted toward improving teacher attraction and retention in the areas where the School System has experienced its greatest struggles.

The School Board decided not to seek voters' approval for facilities funding until it has demonstrated that its stewardship of local resources is contributing to improved student achievement. The majority of members believe that while upgraded facilities also play a role in boosting student performance, the impacts of improved attraction and retention of quality teachers will be most significant and therefore are the highest priority. One School Board member who voted against removing proposition for facilities funding from the ballot preferred to address both pay and facilities at the same time. He noted that voters in his district want new and upgraded school facilities.

The School System's fund balance policies have allowed it to achieve Standard & Poor's AA bond rating.

Financial Stewardship and Accountability. The School Board has repeatedly stressed its commitment to regaining voters' trust. School Board members have noted that the body's political infighting during the past few years has alienated voters. In addition, the School Board has expended taxpayer dollars on legal settlements stemming from board member actions.[36] From a financial standpoint, the School System has received clean audits during the last 10 years, and has met the State's requirement for spending at least 70% of State and local revenue on instruction at the school level since 2013. However, the School System's academic performance has fallen for three consecutive years.

The Superintendent, although only on the job for a year, already has demonstrated a commitment to efficient spending. Upon entry, he evaluated central office staffing and eliminated 10 positions. He has engaged the expertise of a national K-12 education consultant to examine the School System's federal grant spending and identify areas for improving effectiveness. He is also in the process of reviewing the academic returns on various programs the School System uses, with the objective of streamlining or eliminating those not delivering sufficient results.

The School Board adopted a five-year strategic plan (Strategic Plan) in February 2019, which lays out a path for growing from a "C" rating to an "A" rating by 2024. The Strategic Plan's transparent goal suggests the School Board's increased commitment to public accountability. In adopting the Strategic Plan, the School Board recognizes its core responsibility to provide high quality education to all Jefferson Parish students.

Finally, the School System's fund balance policies and recent usage are in accordance with best practices.[37] At $82 million, its unassigned fund balance would cover two months of General Fund expenditures. In addition, board policy commits $42.5 million to emergency, non-recurring expenditures. The School System's fund balance policies have allowed it to achieve Standard & Poor's AA bond rating.[38]

If the millage passes, it will be important for the School System to review the impact of the new pay plan. The Superintendent says that the ultimate success of the pay plan should be evaluated against progress towards meeting the student achievement objectives laid out in the Strategic Plan. Because competitive pay is only one of many strategies the Strategic Plan employs to meet these objectives, the Superintendent will also monitor more immediate outcomes, such as recruitment numbers and retention rates.

Potential for Effective Outcomes. Research shows teacher effectiveness to be one of the most important drivers of student achievement.[39] It finds that teacher turnover is not only costly for school systems, but has negative effects on student achievement. The School System has the least success in keeping early career teachers, and often must replace them with even less experienced teachers. Studies find that teacher effectiveness grows most rapidly in the first few years in the classroom. Thus the pay plan's emphasis on improving teacher retention and quality suggests it could increase student achievement.

In implementing the pay plan as part of its comprehensive Strategic Plan to substantially improve academic performance, the School System increases the likelihood the proposed tax will achieve the desired results. The Strategic Plan encapsulates components of the new pay plan in its second and third priorities. Teacher compensation factors into Priority 2: "hiring, growing and keeping the best teachers." Leader compensation factors into Priority 3: "hiring, growing and keeping the best leaders."[40]

In addition to offering competitive pay to secure the best teachers and leaders, the Strategic Plan calls for the introduction of many nonpecuniary measures to reduce teacher turnover and grow the skills of the School System's teachers and leaders. The Strategic Plan acknowledges the evidence that pay raises alone will not solve teacher shortages and turnover struggles. Although critically important, they are not sufficient on their own. It includes strategies for:

- Supporting new teachers and principals
- Expanding and improving professional development
- Building teacher and principal mentorship opportunities
- Implementing a year-long residency program that certifies teachers in-house

The School System would implement the performance stipends as part of its adoption of a National Institute for Excellence in Teaching model that integrates:

- Continued professional growth
- Instructionally-focused accountability
- Multiple career paths for teachers
- Performance-based compensation[41]

It would also discuss the available stipends in its twice-monthly electronic newsletter for teachers, in an effort to get current teachers to achieve eligibility. It would ensure that teacher candidates are aware of and understand the available stipends through its recruitment packages.

"If the tax passes, the School Board will use the revenue to implement the pay plan it has already approved. This ensures that almost three quarters of the new tax revenue would go towards improving teacher attraction, retention and quality."

Another reform the School System is implementing as part of its effort to increase student achievement is the expansion of its pre-kindergarten through 8th grade school model. On average, 6th through 8th grade students in these schools score 25 points higher on standardized tests than their peers attending middle schools (schools serving only grades six through eight). In addition, the School System lost 550 students in the transition between 5th and 6th grade in 2018.[42] School System officials believe that limiting school transitions will increase student retention. In March 2019, the School Board approved the school closures and reconfigurations that will facilitate expansion of the pre-kindergarten to eighth model. The approved changes align with the adopted Master Plan.

Overall, there are multiple indications that the tax revenue would be well spent. If the tax passes, the School Board will use the revenue to implement the pay plan it has already approved. This ensures that almost three quarters of the new tax revenue would go towards improving teacher attraction, retention and quality. In addition, the School Board recently adopted a five-year strategic plan that commits the School System to rapid student achievement growth. The Strategic Plan includes strategies for improving teacher support that are complementary to increasing salaries. The tax revenue stands a greater chance of making a positive impact as part of the School System's structured effort to transform its professional culture and improve student achievement.

Supporters of the proposed tax point to the School System's difficulty attracting and retaining teachers, and

"Based on its independent analysis using the framework in this report, BGR finds that the current proposition overcomes the key deficiencies of the 2017 proposition. That proposal sought across-the-board raises without a thorough analysis of staffing needs and compensation disparities. It also did not seek budgeting efficiencies for cost savings or consider other priority needs, such as facilities. The new proposal offers taxpayers a better way to direct new revenue to the School System's high-priority compensation needs."

the high costs of teacher turnover. They maintain that the School System is footing the bill for training new teachers who quickly leave for higher salaries in other area districts. They warn that if the proposed tax fails, many more teachers will leave the School System, and even fewer qualified candidates will even consider it an employment option. Supporters also back the tax because they say the teacher stipends address the School System's highest priority needs.

Based on its independent analysis using the framework in this report, BGR finds that the current proposition overcomes the key deficiencies of the 2017 proposition.[43] That proposal sought across-the-board raises without a thorough analysis of staffing needs and compensation disparities. It also did not seek budgeting efficiencies for cost savings or consider other priority needs, such as facilities. The new proposal offers taxpayers a better way to direct new revenue to the School System's high-priority compensation needs.

BGR POSITION

FOR. The Jefferson Parish Public School System has returned to voters with a more well-developed pay raise proposal than the one voters rejected in 2017. Revenue from the proposed tax would allow the School System to boost teacher pay to levels that are competitive with other area districts. More competitive salaries would help the School System overcome high teacher turnover and recurring shortages that negatively impact student achievement and drive up costs. The tax would enable the School System to implement a new pay plan that directs revenue to high-priority needs identified through its analysis of staffing trends. While the School System acknowledges that the support staff raises are not necessary to fill positions, they would eliminate existing compensation inequalities and ensure that all employees earn above poverty line wages. In addition, they would help the School System attract and keep superior employees. Although it has sought budget efficiencies, the size of raises necessary to sufficiently increase competitiveness requires additional revenue. The School Board has maximized the potential impact of higher salaries by adopting a comprehensive strategic plan that commits the School System to significant growth in student achievement by 2024.

If voters approve the tax, BGR recommends that the School System regularly review the effectiveness of the pay raises and incentive stipends in attracting and retaining high-quality employees.

ENDNOTES

1 Based on 2018 assessed value of all property in Jefferson Parish and 98% collection rate. This estimate is gross fees the School System must pay to the assessor, the sheriff (for tax collection) and payments to public retirement systems.

2 Jefferson Parish School Board Resolution, adopted January 10, 2019.

3 La. R.S. 17:3995.

4 Roberts, Faimon, "Jefferson Parish voters narrowly reject property tax for schoolteacher raises," *The Advocate*, November 17, 2017.

5 Enrollment for School System operated schools and School System authorized charter schools includes students in prekindergarten through 12th grade, and is based on the October 1, 2018 enrollment count. Jefferson Parish student enrollment at State authorized charters includes students in kindergarten through 12th grade, and is based on the February 1, 2018 enrollment count.

6 Information provided by Jefferson Parish Public School System.

7 For a discussion of the changes in the scoring system, see Hasselle, Della, "New Orleans-area schools see grades drop or stay flat with new, more rigorous scoring system," *The Advocate*, November 8, 2018.

8 Based on Louisiana Department of Education district cohort graduation rates for the 2016-17 school year. Charter schools are included in geographic district in which they are located.

9 School districts throughout the country have relied on salary schedules since the early 1950s, with 96% of public school districts reporting salary schedule use in the 2003-04 school year. Podgursky, Michael and Matthew Springer, "Teacher Compensation Systems in the United States K-12 Public School System," *National Tax Journal*, March 2011, pp. 165-192.

10 The other districts are St. Bernard, St. Helena, St. John, St. Tammany and Vermillion. Information provided by Louisiana Association of Educators and Louisiana Federation of Teachers.

11 La. Acts 2012, Reg. Sess., No. 1.

12 Louisiana's evaluation system rates teachers and principals annually on a four level scale, from ineffective to highly effective. Under the salary schedule the School System introduced following the passage of Act 1, teachers and principals receiving an ineffective rating are not eligible for a step increase the following year. Teachers and principals receiving an effective-emerging rating are eligible for step increases the following year, but not if they have received this second-to-lowest rating in four or more years. Teachers and principals receiving effective-proficient or highly effecting ratings are automatically eligible for a step increase the following year.

13 For a more detailed discussion of recent pay raises for School System employees, see Bureau of Governmental Research, *On the Ballot: Jefferson Parish School Tax, November 2017*.

14 La. Const. Art. VIII, Sec. 13(C).

15 Louisiana Department of Education, *2016-17 Educator Workforce Report, Southeast Region*.

16 BGR calculations based on the Louisiana Department of Education's 2016-17 Educator Workforce Report, Southeast Region. The report includes data for elementary, English, math, science, social studies and special education classes. It does not include charter schools.

17 Information on average Jefferson Parish Public School System teacher salary provided by the School System and based on salaries as of September 2018. Regional and statewide averages from the Louisiana Department of Education's *2016-17 Educator Workforce Report*, *Southeast Region*. Regional and statewide averages include charter schools.

18 Ibid.

19 Carver-Thomas, Desiree and Linda Darling-Hammond, *Teacher Turnover: Why it Matters and What We Can Do About It*, prepared for the Learning Policy Institute, August 2017, p. v.

20 Kini, Tara and Anne Podolsky, *Does Teaching Experience Increase Teacher Effectiveness? A Review of the Research*, prepared for the Learning Policy Institute, June 2016, p. 15.

21 Hasselle, Della, "'Urgent' need for more qualified teachers in New Orleans metro area, experts say," *The Advocate*, February 17, 2019.

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29 The 2019 federal poverty guideline for a family of four is $25,750. See U.S. Department of Health & Human Services 2019 Poverty Guidelines. This works out to $12.38 per hour based on a 40-hour work week for 52 weeks.

30 School System employees participate in either the Teachers' Retirement System of Louisiana (TRSL) or the Louisiana School Employees' Retirement System (LSERS). In FY2018, TRSL and LSERS employer contribution rates were 26.6% and 27.6% of members' gross earnings, respectively.

31 The fund balance portion restricted to teacher pay raises is the result of the School System's lagged implementation of pay raises following voters' 2003 approval of a 9-mill tax dedicated to teacher raises. While the School System first collected the tax in 2004, it did not put any pay raises into effect until 2005, and thus it did not expend the 2004 revenue from the tax. The unspent 2004 revenue is the source for the existing fund balance restricted to teacher pay raises.

32 Government Finance Officers Association, "Fund Balance Guidelines for the General Fund," http://www.gfoa.org/fund-balance-guidelines-general-fund

33 Under the School System's current salary schedule, noncertified teachers have a starting salary of $36,541 and receive a pay increase for each additional year of work. The salary for noncertified teachers would be$37,000, regardless of experience, under the proposed pay plan. The proposed plan will also freeze the salaries of noncertified teachers already working in the School System and currently earning more than $37,000 at their current levels until certification is achieved.

34 Tammany does not guarantee annual payment of performance stipends.

35 St. John will begin paying these stipends in the 2019-20 school year. See Hasselle, Della, "'Urgent' need for more qualified teachers in New Orleans metro area, experts say," *The Advocate*, February 17, 2018.

36 Roberts, Faimon A., "Jefferson School Board approves $22,500 settlement for woman who alleged harassment," *The Advocate*, March 13, 2019.

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