



MANAGEMENT ANALYSIS & PLANNING, INC.

WYOMING EDUCATION FINANCE

Classified Salaries Maintenance and Operations Employees

Submitted to
Wyoming Department of Education

Prepared for MAP by
Michael Wolkoff

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Classified Salaries

On February 23, 2001 The Wyoming Supreme Court reversed the lower trial court's decision by ruling that administrative and classified salaries "... should be adjusted in a fashion similar to teacher salaries to account for differences in experience, responsibility, and seniority." In our earlier reports, "Classified Salaries" (dated: December 30, 2002 and June 25, 2003) we developed a methodology for adjusting classified employee salaries and made use of Wyoming State Department of Education data to implement the methodology.

In our prior reports we focused on administrative personnel and teacher aides and clerks. In this report we apply the methodology to Maintenance and Operations (M&O) workers. Currently, the level of funding for Maintenance and Operations activities is determined through a separate methodology, not making use of the prototypes contained within the MAP model. Thus, there is not an explicit connection between prototypical staffing size and funding support. Rather, funding support is determined primarily by facility size. Nevertheless, ultimately, M&O personnel are hired irrespective of the source of funds, and a determination must be made as to whether the Supreme Court ruling regarding classified salaries requires a similar adjustment for M&O staff. In this memo we calculate what the experience premium should be for M&O staff, leaving the determination of whether this premium should be paid to the wisdom of the legislature.

We adapt the econometric methodology used to calculate the value of experience for school and central office administrators, secretarial staff, and teaching aides to calculate the value of experience for maintenance and operations personnel. The dependent variable is the annual salary of classified, full-time staff in Fall 2001. Our model relates annual salaries to measures of staff experience and contract year length for each classified salary employee grouping. As with the prior analysis, experience is measured by experience with-in the job, with-in the district. To estimate the effect of these variables, we fit an OLS regression model of the form:

$$\text{FTE Salary} = B_0 + B_1 \text{ Contract Days} + B_2 \text{ Experience} + e$$

The regression equation explains 35% of the variation in M&O staff pay, which is considered excellent predictive power in a model of this type. The regression coefficients are correctly signed and statistically significant at the five percent level or higher. The regression shows that, holding all else equal, each additional year of district experience raises pay by \$387.

Consistent with our earlier reports, we propose that, if adopted, the funding formula incorporate these regression results by comparing each employees experience to the state average experience level of M&O employees, and adjustments to funding be made accordingly. Average district experience is given in Table 2. These regression results represent the adjustment value of an additional full-year of experience in a full-time position. These adjustments would be reduced proportionately for partial year experience and for less than full-time, equivalent employment.

Recommendations

This report extends our analysis of the experience premium to Maintenance and Operations staff a group of employees funded outside of the prototype based funding formula. Whether funding for these employees must be adjusted in line with the Court's February 2001 decision must be determined by the Legislature. If so determined the Legislature would use the same methodology to determine school district funding for employee experience differentials. Employees with greater than average experience would generate additional funding and those with less than average experience would result in less district funding, in line with regression results.

Table 2: Impact of Experience on Earnings^a

Dependent Variable = Fall 2001 FTE Salary

Employee Type	Mean District Years Experience	Coefficient	t-statistic	Adjusted R ²	Sample Size
M&O	9.1	387.49	16.7	.35	842

^a Evidence from ordinary least squares regression. Number of contract days is also a regressor. Mean district experience is based on sample of full-time, M&O employees.