

The percentage increments aimed at elevating South Dakota's regional ranking to 1-3 are derived from the average teacher salaries in FY22 + the respective state aid index factors for each regional state legislature, thereby inflating the numbers to an estimate of the FY24 averages. The pay increase options include the 7% index factor because that is what South Dakota State Aid was already budgeted at in FY24. To illustrate, this approach operates on the assumption that if South Dakota had experienced a 26% higher target teacher salary in FY24, it could have secured the region's top ranking in average teacher salary. Ultimately, teacher salaries are a local decision set by school districts, and the "target teacher salary" is part of the State Aid formula used for budgetary purposes. This is the reason why historically there is a difference between the "target teacher salary" and the "actual" average teacher salary.

	Target Teacher Salary	Compensation	Total State Aid	Additional State Aid
FY24 State Aid Budgeted - 7% (Regional Ranking 6th)	\$59,659	\$76,960	\$592,301,908	\$0
FY24 State Aid - 18% (Regional Ranking 3rd)	\$65,792	\$84,872	\$676,093,749	\$83,791,841
FY24 State Aid - 20% (Regional Ranking 2nd)	\$66,908	\$86,311	\$691,129,356	\$98,827,448
FY24 State Aid - 26% (Regional Ranking 1st)	\$70,253	\$90,626	\$736,807,118	\$144,505,210

	FY24 Average Teacher Salary Estimates	SD Pay Increase Options + 7% Index Factor FY24
Minnesota	\$68,086	26%
Nebraska	\$64,716	20%
Wyoming	\$63,748	18%
Iowa	\$62,903	
North Dakota	\$60,186	
South Dakota	\$57,381	
Montana	\$56,491	