

Teachers' salaries and remuneration in Estonia

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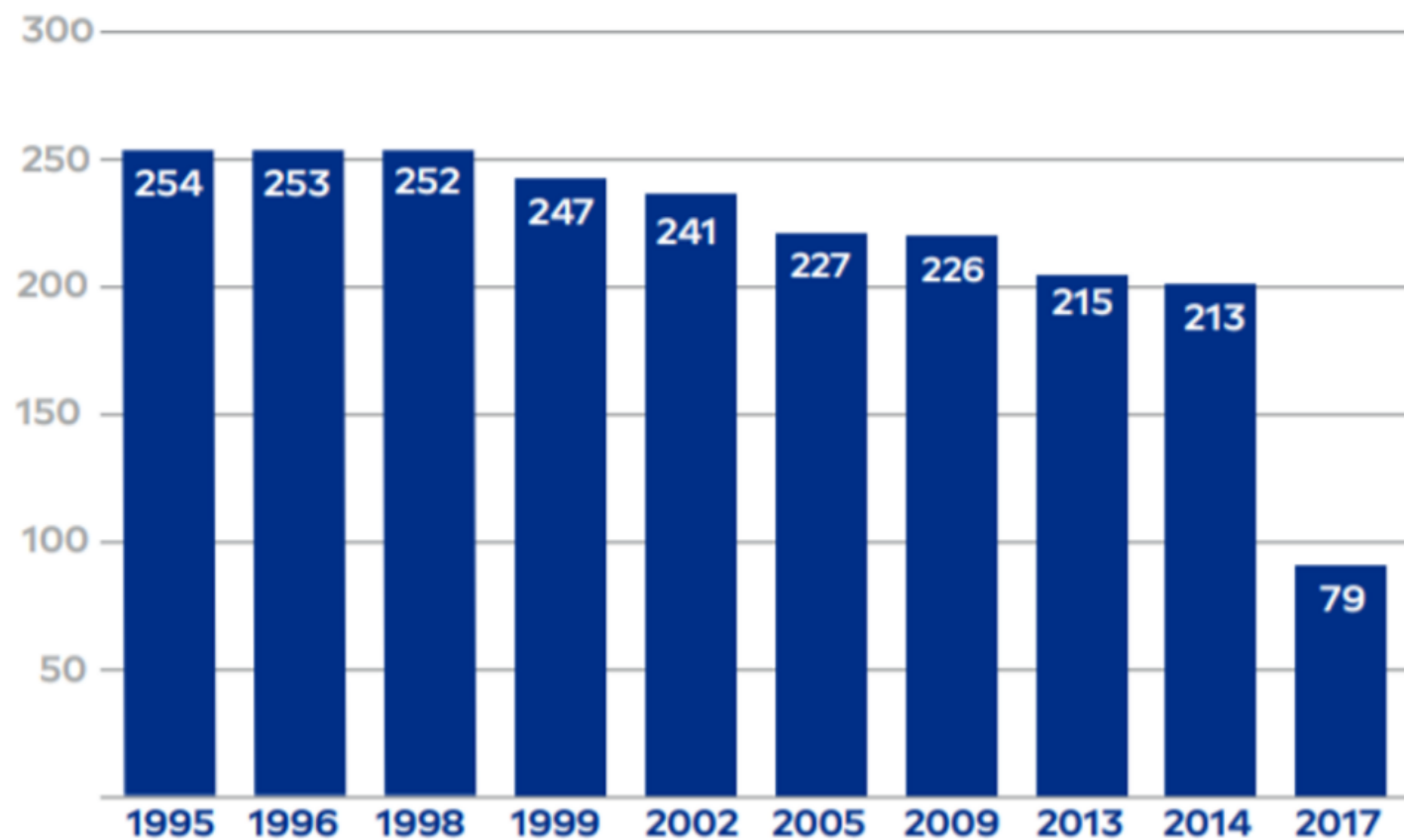
Development of
governance and
democracy

Economic
situation



Capacity to
define priorities

Changes in
responsibilities
and curriculum



Change in number of local governments in
Estonia, 1995-2017 (2021=2017)

Changes in teachers' remuneration

BEFORE

- 4 legislative minimums confirmed by government.
- Salary based on state minimums and attestation. Fixed sum for additional task (class teacher).
- Working time 35 h per week. Regulated upper limit of lessons.
- School and class based state subsidy.

2013

- 1 legislative minimum confirmed by government
- Attestation was stopped. 4 levels professional standard. No links to salary in state level.
- Working time 35 h, workload distribution not regulated on state level.
- Local authority and student based state subsidy.



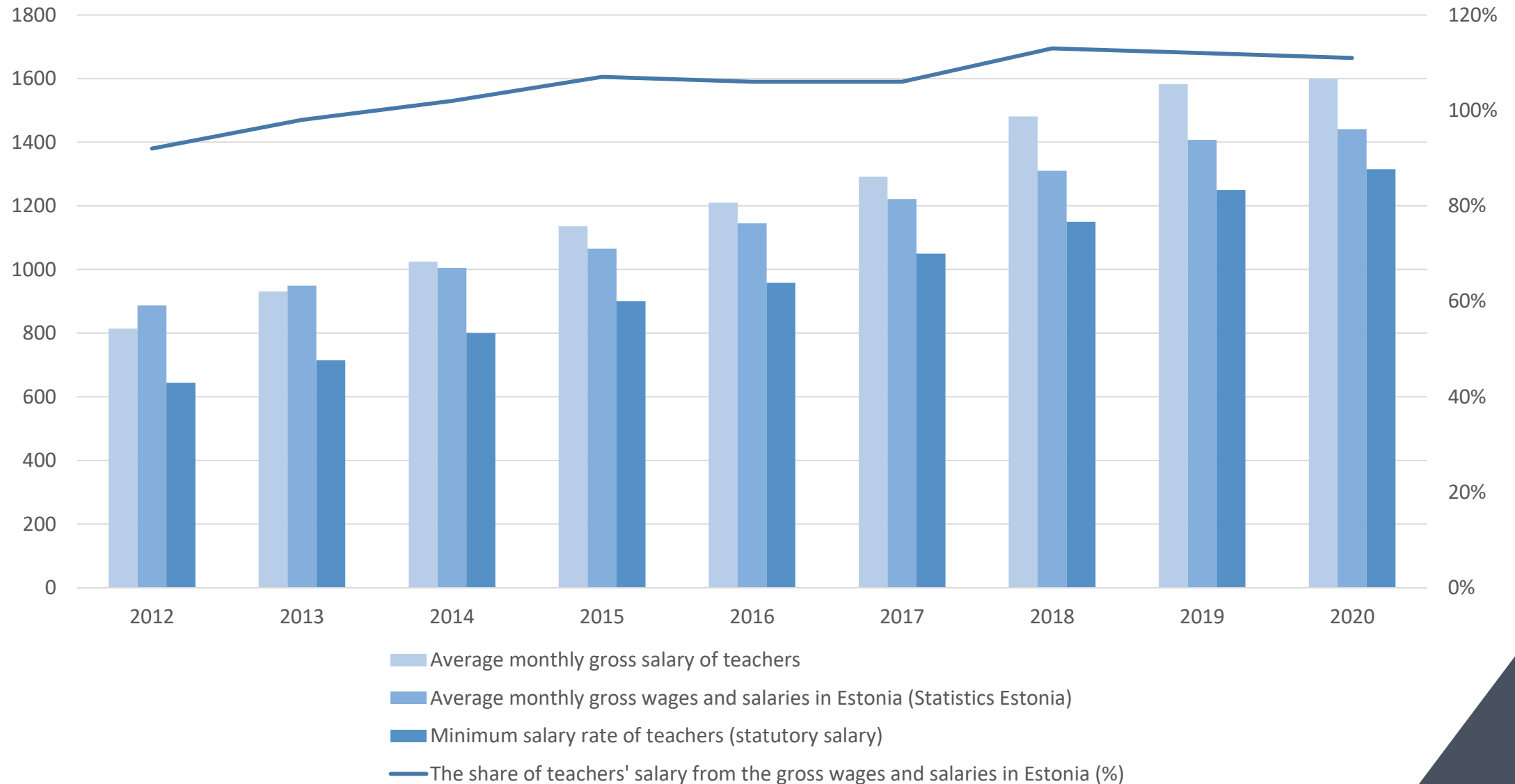
we change
in order to

Increase autonomy,
responsibility and
competences of school
owners and headmasters

Value teachers' all duties
and contribution to the
work

Motivate local authorities to
make changes in their
school network

General education teachers' salaries compared to average salary in Estonia 2012-2020





Basic Schools and Upper Secondary Schools Act

§ 71. Head of school

(2) The head of school:

- 4) establishes the principles of remuneration of the school, presenting them to the teachers and the board of trustees before approval so that they could express their opinion as well as to the owner of the school for approval;
- 5) concludes employment contracts with teachers and other employees;
- 6) approves the composition of the school employees in accordance with the procedure established by the owner of the school;

§ 75. Teachers

- (1) Class teachers and teachers of a single subject or multiple subjects work in basic schools and upper secondary schools.
- (2) The main task of the teacher is to support the development of each student and to help the student to shape their studies according to their interests and abilities. The teacher's professional duty is to develop their professional skills and be familiar with education innovations.
- (3) The teacher's working time is calculated and the teacher is remunerated on the basis of their position. The working time of the teacher is divided into direct teaching and education work and other tasks arising from the employment contract, job description and work organisations rules and tasks given by the employer.

§ 82. Funding and budget of schools

- (3) The expenses of a municipal school are covered by the owner of the school.

GENERAL EDUCATION
SCHOOLS 2020/21
529

Municipal
schools

435
(1777/3)

Private
schools

58
(982/11)

State
schools

36
(570/27 SEN)

Recourses from state to local authorities:

Personal income tax paid by residents (income tax 20%, to LA 11,93%) and the equalisation fund
The earmarked block grant (including subsidy of teacher salaries).

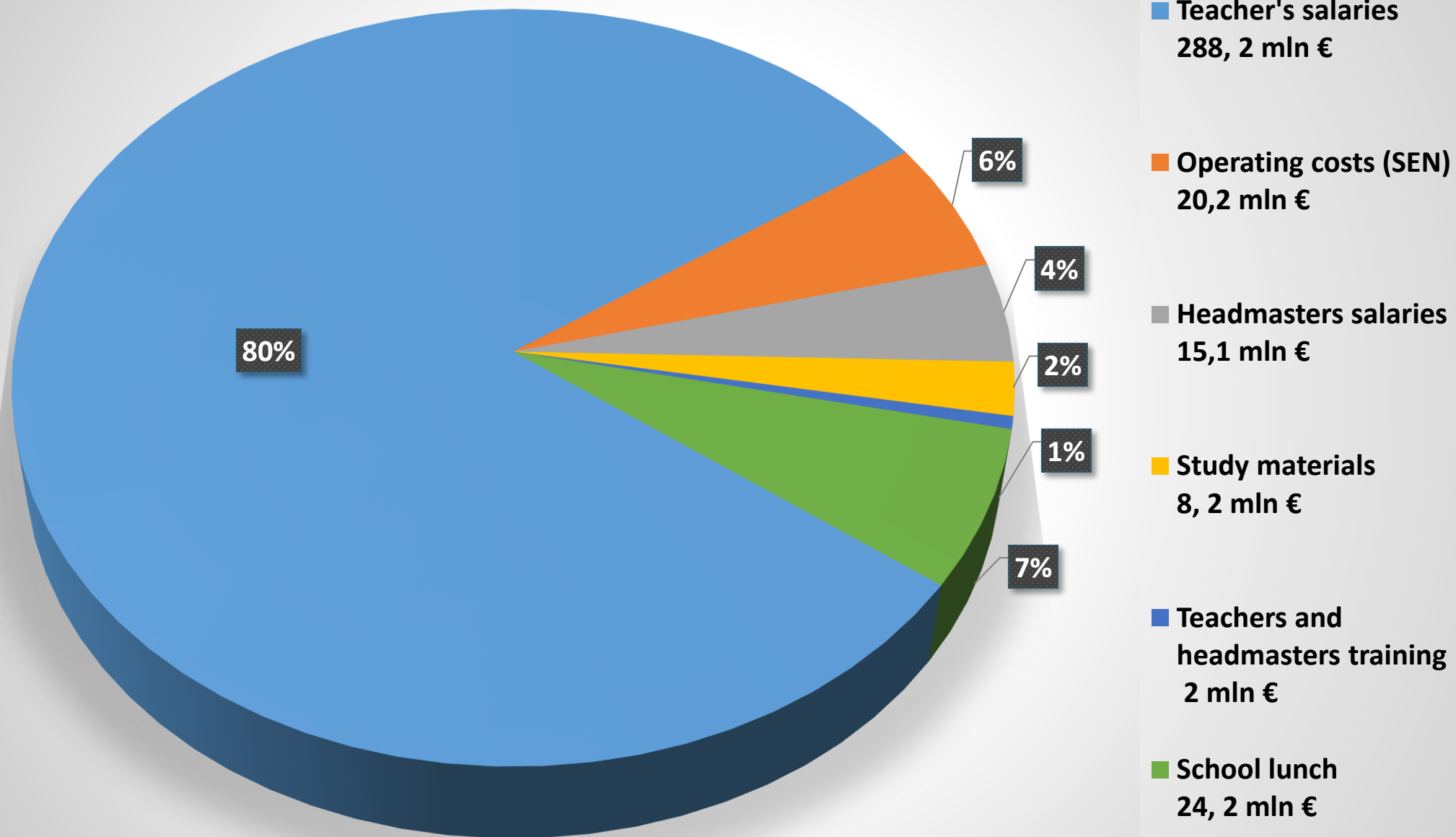
Recourses from state to private school owners:

The earmarked block grant (including subsidy of teacher salaries).
Operating costs

Recourses to state schools:

Cover costs of school budget

2021 state earmarked subsidy for local authorities 357,8 mln €



Student-based rates for

Teachers' salaries (1 540€)

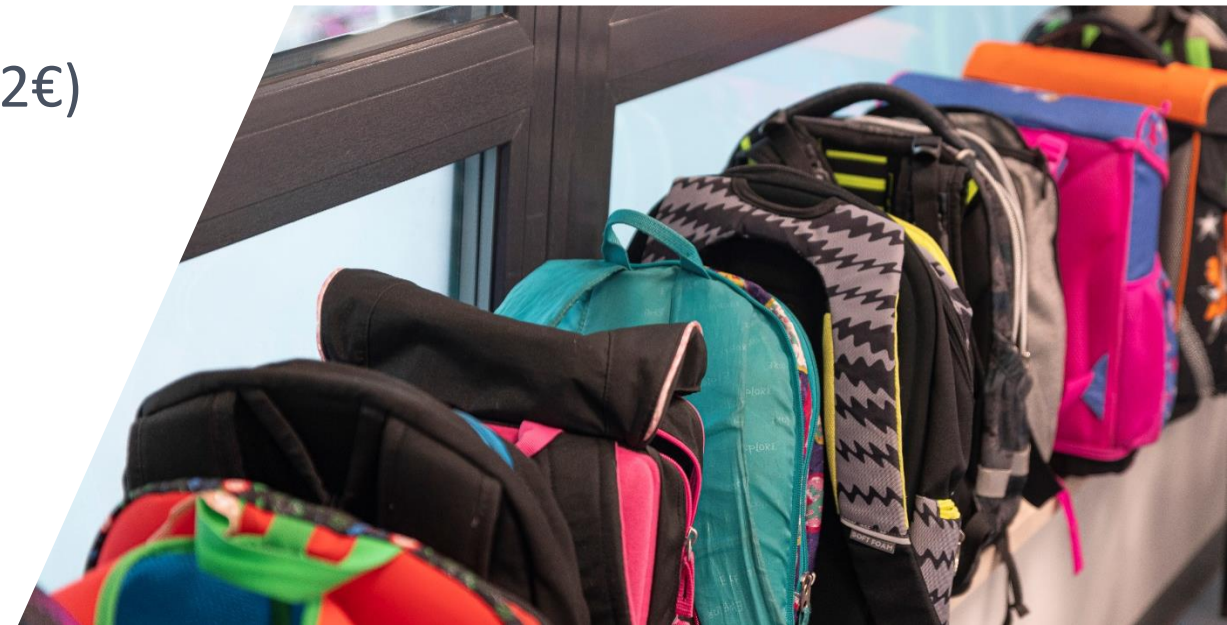
Headmasters' salaries (92€+2014 level)

Teachers and headmasters training (12€+2014 level)

Study materials (57€)

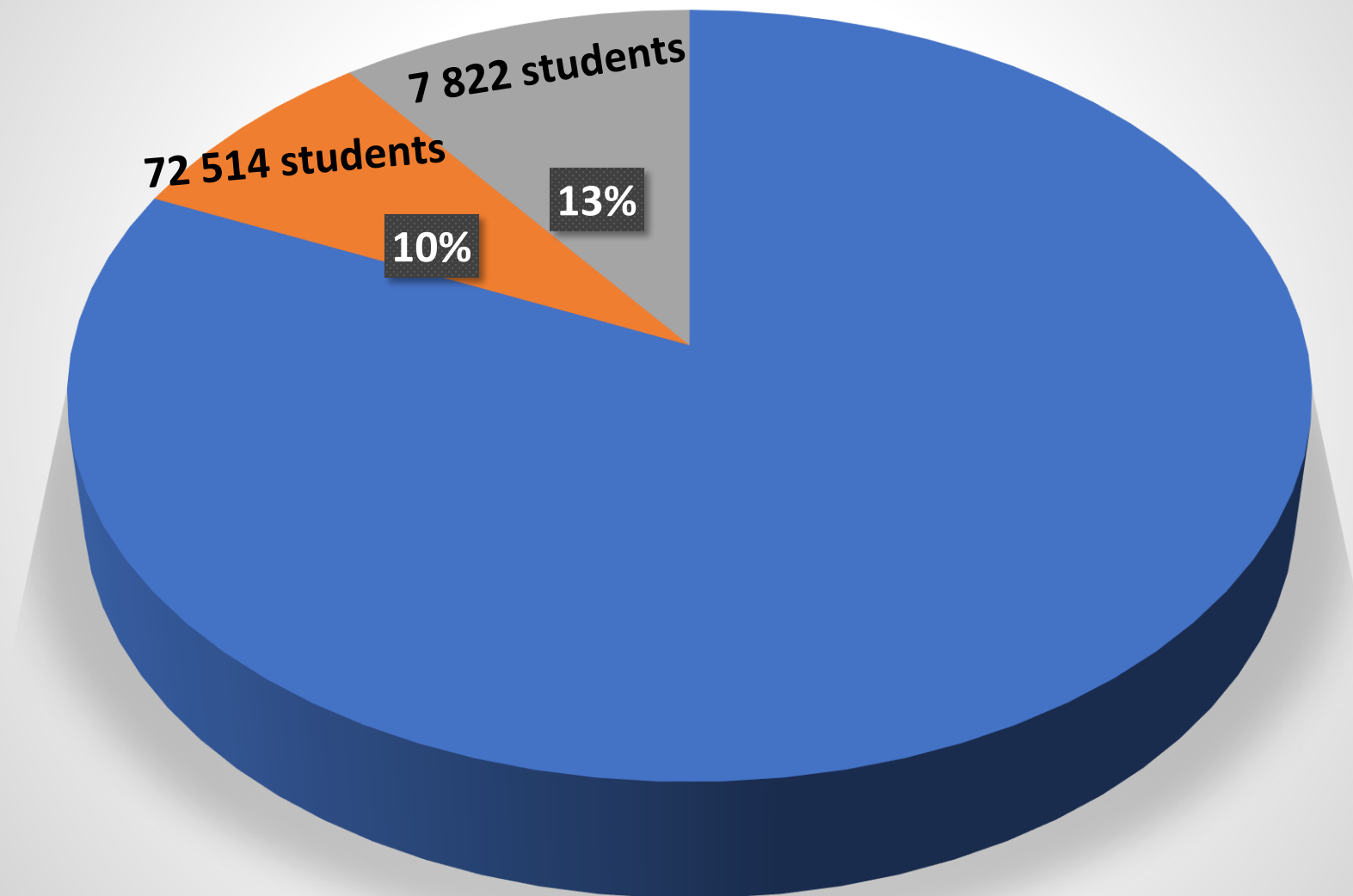
School lunch(175€)

Operating costs for SEN students (2256-4512€)



State subsidy for teachers salaries to local authorities (LA) 2021

■ Subsidy for teachers salaries 223,5 mln € ■ LA coefficient 27,9 mln € ■ SEN 36,8 mln €



Students in LA schools (10.11.2020) 143 503 (basic schools 121 506 and upper secondary level 21 997)

How do we calculate state subsidy for teachers' salaries?

the minimum national teachers' monthly salary $1315\text{€} + 17.1\% = 1540$
estimated annual labour costs per teacher (added employer taxes) = **24 726**
student based rate $(24\ 726/15) = 1648^*$

Number of students x student-based rate x coefficient

** The sum is determined in the [Support Fund Act](#) that is established by the government in accordance with the state budget.*

Principles of student-based rate and coefficients

- ➔ One student-based rate motivates to maintain grades 1-6 and consolidate 7-9. Basic school coefficients (highest is 1,98) allow to pay teachers in rural areas the same or even higher salary than cities.
Create optimal school network and modern teachers' remuneration system, then
- ➔ you can increase teachers' salary.
Transfer running schools in general secondary level to state and you have more
- ➔ money to develop basic schools. Calculation of state subsidy allows to pay teachers' average salary (minimum+~20%) if you have at least 100 students in general secondary level (coefficient in rural areas 1,12).
Support SEN students at their home school in general (coefficients 2-4).
- ➔

Effect of school network consolidation on teachers' salaries

Local authority x	Current school network (coefficient 1,77)				Future school network		
2019/20	Number of students	Number of teachers	Number of teachers posts	Average salary (state subsidy)	Future 2022	Number of teachers posts	Average salary (state subsidy) after changes of school network
School 1 (grades 1.-9.)	45	11	7,59	1 383 €	One 1.-9.school, study places grades 1.-4, consolidation grades 5.-9.	2	2 023 €
School 2 (grades 1.-9.)	41	12	8,04			2	
School 3 (grades 1.-9.)	41	10	6,34			2	
School 4 (grades 1.-12.)	171	29	19,40			24	
School 5 (grades 1.-6.)	20	6	3,05			2	
School 6 (grades 1.-6.)	23	5	3,28			2	
School 7 (grades 1.-9.)	51	16	9,05			2	
TOTAL			56,75			36	46%

Developing teachers' remuneration system in LA and school level

Web-based HANDBOOK for educational leaders

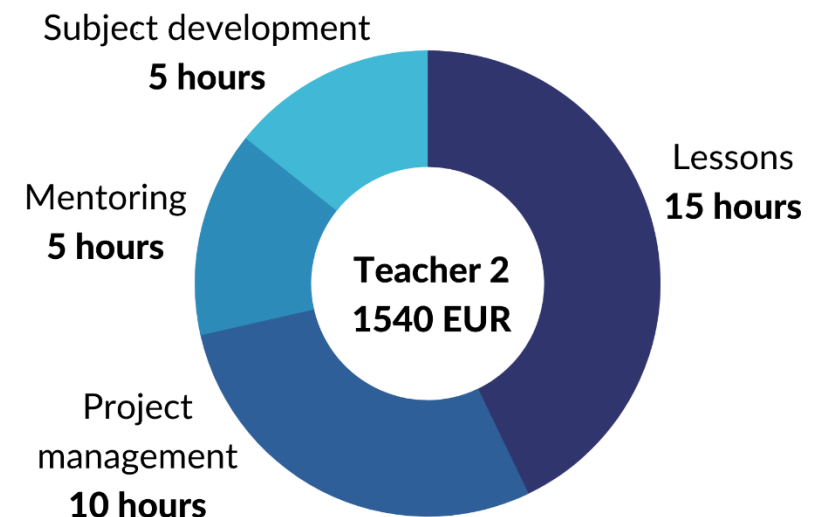
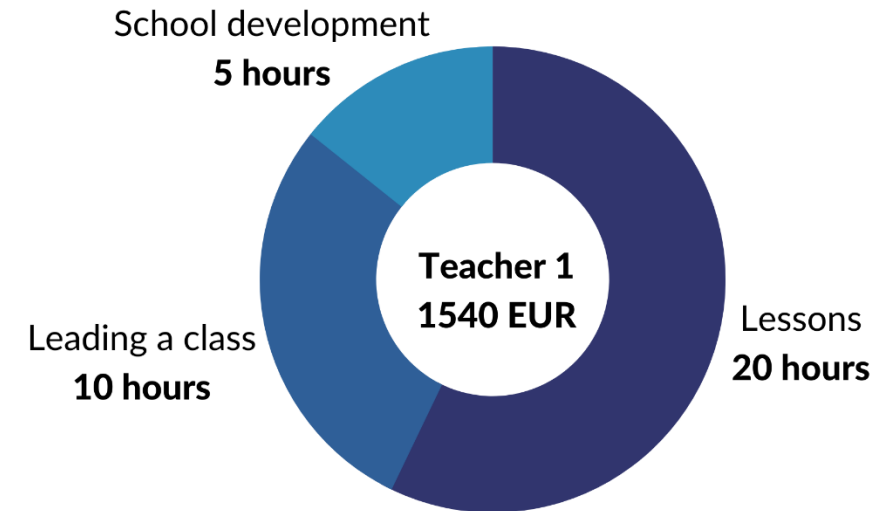
Authors:

- ➞ The Association of Estonian Cities and Municipalities
- ➞ 8 local authorities and schools
- ➞ Mentors-school headmasters
- ➞ Experts from the ministry

Expert from the private sector:

„We will help the organisation with the knowledge on of how to create equal opportunities and pay fair compensation to employees“.

<https://www.fontes.ee/en/detailed-salary-information-compensation-market-overview/>



Political challenge for the future

Increase local authorities' autonomy - earmarked subsidies (basic school 1-9) to revenue base?

Preconditions:

- ➔ Local authorities' capacity to negotiate
- ➔ Agreement – clarify responsibility in secondary education, create new finance model taking account demographic situation)
- ➔ Time frame – minimum 3 years + transition period



Liels paldies!
Thank you!
Tänan!

Stay in touch



hm.ee



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