

## **The House Budget pays teachers more . . . Builds more schools . . .and Puts more money into the classroom**

House Budget provides the state's share of a 2 percent pay raise for school teachers in the first year of the budget (fiscal year 2009). In addition, the House budget provides an additional \$70 million in school construction grants. This is on top of the \$110.0 million in school construction grants currently provided for through the Lottery Proceeds Fund and through existing state general funds. In addition, the House budget also provides \$20.0 million each year for the Literary Fund interest rate buy down program. This program allows the state to leverage \$8 for every \$1 dollar in subsidy. Finally, the House budget provides the state's share of funding for a second year pay raise of 1.14 percent. In total, the House budget provides \$193.0 million more than the Governor proposed over the 2008-10 budget, and does not adopt his proposal to cut school construction grants by \$220.0 million.

The House budget adopts language that clarifies that the prevailing salary used in calculating SOQ costs in the future will reflect the salary increases approved by the General Assembly in the biennial budget preceding the re-benchmarking process. This methodology would ensure that the state's share of salary increases that are provided in a biennial budget are recognized in the future. For example, the House budget provides a 2 percent increase in fiscal year 2009, which is funded in the budget. In the 2010-2012 budget, this 2 percent increase would be factored into the prevailing salary.

The Senate budget cuts school funding through the Lottery Proceeds Fund by \$26.0 million each year. The Lt. Governor underscored this action in the Senate budget, which diverted the Lottery proceeds that would otherwise flow back to school divisions. In addition, the Senate budget reduces by \$13.8 million each year the school construction grant payments provided through the general fund. The Senate budget does not provide a first salary increase, but does provides the state's share of a 2.5 percent salary increase in the second year of the budget (fiscal year 2010).