
OFFICE OF GOVERNOR RONNIE MUSGROVE
INTEROFFICE MEMORANDUM

TO: GOVERNOR
FROM: RILEY
SUBJECT: FIRST YEAR OF TEACHER PAY RAISE PLAN PRESENTED AS STATE SUPPLEMENT TO TEACHERS
DATE 5/9/01
CC: MADER
TELL
BOYD

Maryann Graczyk left voicemail today stating that teachers in some districts are being asked to sign waivers stating that they understand that the \$500 given under the premise of the first year of the pay increase is a one-time bonus/supplement and not a salary increase. She said that Shivers at MDE sent a memo to the districts to this effect. She said this is because the \$25 million was appropriated in HB 1611, a general appropriation bill, and the Legislature did not amend the salary schedule. She said she is telling her teachers that, under contractual provisions, they have 10 days before they have to sign anything. She said the feeling at the AFT convention last week was to walk out of the classrooms, but she is encouraging her teachers not to do that because of the \$20,000/day penalty, but she is encouraging them to speak out.

Section 7 of HB 1611 states: "Of the funds appropriated under Section 3 of this act, up to Twenty-five Million Dollars (\$25,000,000.00) may be used by the State Department of Education for the purpose of increasing the salaries of teachers and assistant teachers."

Steve Williams, Director of External Relations at MDE, said the State Board received inquiries as to how the \$25 million for salaries was to be distributed since it was just to go for salaries/teacher pay and was not clearly designated as part of the teacher pay raise plan. The State Board went to the AG's office for advice because the Board does not have the authority to amend the salary schedule and did not want to be liable for the funds next year if the Legislature does not appropriate funds. He said that Mike Moore was very involved in the discussions.

The decision was made that the State Board should develop and adopt the "Guidelines for Teacher and Assistant Teacher Pay Raises" policy (see attached 4/20/01 letter from Leslie Shivers to superintendents and the follow-up letter from Dr. Thompson). The policy sets up the \$500 as a state supplement. According to Williams and Judy Rhodes, it is necessary to designate the money as a state supplement because state law forbids a local board from reducing its local supplement. Both said that this arrangement protected the State Board and the local boards from a worst-case scenario next year if the Legislature does not appropriate the funds for the pay raise or amend the salary schedule.

I asked Judy Rhodes if it was accurate to say the Legislature appropriated the \$25 million via HB 1611 because they were worried about future revenues and because of the 5% cap language and she said yes. She said that the Legislature wanted to give the raise and this was the only means of appropriating the funds due to the 5% language.