

## **Teacher Salary Enhancement Fund proposal**

TSEF dollars would be appropriated annually in addition to state aid dollars and would be the conduit to providing funding for districts to enhance teacher pay in their district.

The proposal also calls for an additional penny increase from June-August to the state's sales tax. Revenue generated from the tax is estimated at \$40 annually, or \$4,000 per teacher, which would be the funding mechanism for TSEF.

Based on the current proposal, school districts would have the opportunity to receive TSEF funding if they meet criteria included. However, the criteria are only mandated to receive TSEF dollars, districts have the choice to do so.

Criteria for TSEF dollars includes:

- A reserve balance of 40 percent or less that of its general fund. Districts with a reserve above 40 percent as of June 30, 2015 are eligible to receive TSEF dollars if they reduce their reserve to 40 percent or less by June 30, 2019. Districts must annually reduce their reserve by  $\frac{1}{4}$  the amount above 40 percent each year from 2015-19.
- Districts must agree to increase their minimum base salary by three percent annually for three years beginning in 2015-16. If a district's minimum base salary is under \$32,000 in the 2014-15 school year it is eligible to receive additional funding if they annually increase the minimum base salary by  $\frac{1}{3}$  the salary difference from \$32,000.
- If the PSA increase is above two percent, half of the funds from the percentage above two percent (e.g. if districts receive a 2.5 percent increase, half of the dollars from the .5 percent) must be put towards teacher salaries.