

January 29, 2014

Note: the House Education Committee will hold an open hearing on public education on Saturday, February 1, from 9:00 AM until 12 noon in the House Chambers

House Bill 3 was heard in the House Education Committee this morning. It received a do-pass recommendation. The measure will then be reported to the House Appropriations and Finance Committee (HAFC) for a hearing tomorrow afternoon at 1:30 PM. This committee will incorporate school funding into the General Appropriations Act, House Bill 2. Let members of the HAFC know that you support salary increases and that you support placing maximum funding "above the line" in the School Equalization Guarantee, not "below the line" in the Governor's pet projects, like merit pay and reading initiatives that aren't available to all school districts, not just those chosen by the secretary-designate in a race-to-the-top-like competition!

All Republicans on the committee attempted to substitute the Governor's budget for the House Bill 3 as introduced by Representative Mimi Stewart, the Committee Chair. The vote to maintain salary increases and above the line funding was on a straight party-line, with all Republicans voting to kill salary increases and all Democrats voting to send House Bill 3 on to the HAFC.

<b>Name</b>	<b>Party</b>	<b>Vote to Pass House Bill 3</b>
Chair Mimi Stewart	D	Yes
Vice-Chair Christine Trujillo	D	Yes
Alonzo Baldonado	R	No
Nathan "Nate" Cote	D	Yes
Nora Espinoza	R	Absent
David M. Gallegos	R	No
Stephanie Garcia Richard	D	Yes
Jimmie C. Hall	R	No
Dianne Miller Hamilton	R	No
Rick Miera	D	Yes
Dennis J. Roch	R	No
Tomás E. Salazar	D	Yes
Sheryl Williams Stapleton	D	Yes

Thank those committee members who supported you and your salary increase by voting yes; ask those who voted no to support you on future budget votes.

HAFC will have several budget proposals to consider as it crafts the final budget.

Several budget proposals are before the Legislature. New Mexico statute requires that the Public Education Department prepare a budget for Public School Support. When the State Board of Education was an independent agency, the most favorable budget recommendation came from the Board. Now that the Public Education Department is an agency under the Governor's office, its budget and the Executive are one and the same, as you can see from the comparison sheet. As of now, we have really two budget recommendations—the executive and the Legislative Finance Committee. The House Education Committee will prepare the first draft of legislation to create a public school budget, House Bill 3. This legislation will then go to the House Appropriations and Finance Committee to be incorporated into the general budget legislation, House Bill 2. What ends up in House Bill 2 will likely be very much like the Legislative Finance Committee recommendation, although we hope somewhat improved by the recommendations of the House Education Committee.

The two recommendations that we have now are very different. The Governor recommends early \$100 million or a 3.9 percent increase in public school funding. The Legislative Finance Committee has recommended a 5.6 percent or \$143 million increase, which includes more than \$60 million for pay raises for teachers and other educational workers. The governor's budget doesn't allocate money for across-the-board pay raises for educators. However, Martinez recommended nearly \$6.5 million to boost the starting salary for teachers to \$33,000 from \$30,000, and the governor proposed nearly \$12 million for merit-based pay for teachers and principals.

For all of state government, the LFC's recommendation is a 4.3 percent increase over FY14 and increases funding for early childhood initiatives by \$35 million, including \$12 million more for early literacy programs and the extended school-year program known as K-3 Plus, \$4 million for home visits for high-risk families with infants, and almost \$10 million for prekindergarten. The plan also includes almost \$50 million for a 1.5 percent cost-of-living increase for all state, public school, and higher education employees and another \$40 million for schools and state agencies to use at their discretion to address hard-to-fill positions, reward deserving employees, and fix other pay issues.

The committee's recommendation for public schools includes \$2.7 million to improve pay for educational assistants and \$4.5 million to increase the minimum salary for level one teachers from \$30,000 a year to \$32,500 a year. The committee's general fund

recommendation of \$2.7 billion for public schools is a 5.6 percent increase over FY14. The appropriation would cover increases in pension fund and health insurance contributions and increases. It would add funding for at-risk students and small school districts, which often run out of money before the end of the budget year

Almost \$3.55 billion, or 58 percent, of the overall committee recommendation is targeted to education. The committee recommends \$2.7 billion in overall funding for public education, an increase of \$142.9 million. The recommendation relies on the public education formula to equitably distribute a majority of the increased funding to school districts and charter schools and continues existing initiatives that have the greatest impact on student outcomes and target at-risk students.

The Governor's budget request targets most money outside the funding formula, eliminating local control over school budgets and giving the Governor and Public Education Secretary-designate much greater centralized control over local school districts, including, except for minimal funding to increase starting pay for level 1 teachers, making all salary increases based on merit as determined by teacher ratings in the new evaluation system. The LFC plan puts \$80 million more above the line through the funding formula than the Governor's proposal. This includes the salary money for teachers and other employees.

In an unusual move, the House Education Committee is proposes House Bill 3 as a new proposal. Here are its highlights:

HB 3 places over fifty percent (50.2%) of this year's new money directly into the funding formula—our state equalization guarantee, that distributes dollars equitably to all 89 public school districts. This represents an increase of 6.3%. The funding formula provides for Local School Board authority to make decisions on what's right for our kids and schools.

Restoring trust and encouraging accountability: By putting significant dollars into the formula, we are restoring trust and encouraging accountability at the district level through two avenues (1) Local voters have the power to hold their local School Board directly accountable; and (2) the Public Education Department's school budget reporting process. This procedure requires an annual review and approval for all funds and their expenditure.

Increasing salaries for teachers and educational assistants: The teaching profession in our state is in crisis as continued low salaries result in many teachers leaving and fewer students enrolling to become teachers—teachers have not seen an effective raise in 10 years! House Bill 3 increases our teachers' salaries by an average 3% (\$56 million) and gives education assistants an additional average 3% (\$2.7 million) raise. If New Mexico hopes to retain and attract quality teachers we must provide sufficient funding and become more competitive—this budget helps move us toward that goal.

Mentoring and professional development: Our budget proposal includes \$1.5 million for mentoring beginning teachers and \$2.5 million for professional development. This encourages educators and all staff to collaborate—working together as a whole school. Research supports increased collaboration and professional development as proven means to cost-effectively improve student outcomes while also helping grow and retain quality teachers.

Protecting health care and educational retirement: House Bill 3 protects health care and retirement benefits by recommending \$13.5 million for insurance costs and \$11.5 million to offset employer costs for ERB retirement—both increases to help offset employee payments that negate salary increases. At a time when we're struggling to meet increased expectations and student performance, we cannot penalize educators by stripping small salary increases away with increased insurance and retirement costs.

Restoring statutory class loads: Student outcomes are foremost and we have placed significant dollars, (\$20 million) into returning to statutory class load maximums. Students in crowded classrooms often suffer from a lack of attention. We need additional teachers to balance critical class loads especially as we transition to the new common core state standards.

Reading proficiency: Reading is fundamental. House Bill 3 allocates necessary dollars (\$11.5 million) into the Reading Proficiency Fund to support schools that identify their needs for early literacy and language development. HB 3 also includes \$19.2 million for K-3 Plus and \$19.2 million for Pre-K—both proven programs that have demonstrated success. Along with after-school programs, these proven "interventions" are the best strategy for helping students attains reading proficiency.

[Follow this link for research regarding retention vs. interventions](#)

Education Community: This budget reflects the input of our education communities across the state provided during the interim to LESC throughout the year.

[Follow this link for a comparison of the budget proposals](#)

## Please Take Note of Our Priorities for this Legislative Session

- Sufficient Funding Must be Provided:
  - No less than fifty percent (50%) of all new revenue should be dedicated to K-12 public education, through the State Equalization Guarantee. This provides for appropriate decision-making by local elected School Boards directly accountable to the public.
  - Since 2008 and the beginning of the national "recession," Public Education funding has been drastically cut, causing severe harm to students and employees alike.

- o The legislature must meet the Constitutional guarantee to provide all students in the state with a free and fair public education. (Article XII, Section 1: Free Public Schools: A uniform system of free public schools sufficient" to educate New Mexico students).
  - o Maintain the limited distribution (5.8%) from the permanent school fund through a constitutional amendment (Rep. J. Trujillo, HJR 3 LAND GRANT FUND FOR EDUCATION REFORMS).
- Return Public Schools to the Voters.
  - o We support a constitutional amendment to place the authority currently placed in the Appointed Secretary of Education in an elected State Board of Education, and a Superintendent of Public Instruction hired by that Board, who must be a New Mexico licensed qualified professional educator (Sen. M. Padilla, SJR 2BOARD & SUPERINTENDENT OF EDUCATION)
- Competitive School Employee Pay.
  - o In order to attract and retain the most qualified public school employees, the legislature and governor should raise teachers' salaries equal to national averages for teachers.
  - o A School employee pay raise of not less than three percent (3%) must be a priority of the legislature via sufficient appropriations to local school districts through the public school funding formula. (HB 3 Rep. M. Stewart for House Education Committee).
  - o Local decision making, including collective bargaining, must determine local salary systems. (HB 3 and LFC Recommendation).
  - o We need to make sure all teachers are paid a competitive salary before giving only a small group of teachers a bonus. We oppose any arbitrary so-called merit pay schemes based on subjective criteria. (HB 3 Rep. M. Stewart for House Education Committee).
  - o Escalating health insurance premiums and retirement contributions and/or benefit decreases have decreased overall compensation of education employees.
- Public Schools Are Not For Profit: Resist Privatization.
  - o The legislature must continue to resist schemes to privatize the education of any public school students. We oppose any attempts to use public funds for private school vouchers, tuition tax credits for attendance at a private school, home school, or for-profit management of public schools.
- Teacher Evaluations Should be Fair and Helpful.
  - o Teacher evaluations should be conducted by trained and certified administrators based upon proven methods such as teacher observations, not students test scores.