

02-05-13

February 5, 2013

## Retirement Solvency Bill Will be Heard Tomorrow!

The legislation we and most other ERB stakeholders support, House Bill 64, Educational Retirement Changes, will be heard in the House Education Committee on Wednesday morning. Follow the link above to contact committee in support of House Bill 64. The stakeholder plan follows the input that NEA-NM members gave: NO change to benefits for current retirees; it does NOT change benefits or requirements for current employees; it does raise the employee contribution to 10.7% for current and future employees (NOT the 11.3% proposed to the Legislature last year and another good reason for a salary increase); it also commits the legislature to living up the promises it made 5 years ago to increase its contribution rate by an additional .75% per year for three more years! It also creates a minimum retirement age of 55 and COLA eligibility at 67 for NEW employees hired after 6/30/12. Those public school employees making \$20,000 or less remain at a 7.9% employee contribution.

The first hearing on the ERB plan was January 24 when, House Bill 64, Educational Retirement Changes, received a do-pass recommendation in the House Labor Committee. The vote was a straight party-line vote, with all Democrats supporting our position and all Republicans opposing the solvency plan.

Thank those Labor Committee members who voted yes and supported you and your retirement system.

Contact House Education Committee Members now to support our solvency proposals, House Bill 64.

## The House Education Committee Likely to Finish Budget Bill by Friday

The House Education Committee continues to craft its own funding proposal, House Bill 3, the committee plans to finish work on the school funding bill by Friday. It will then be reported to the House Appropriations and Finance Committee, possibly early next week. Let members of both committees 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 third grade retention!

Contact House Education Committee Members now with the message to fund salaries and benefits and put maximum funding "above the line" in the School Equalization Guarantee, not "below the line" in the Governor's pet projects, like merit pay and third grade retention!

## Teacher Evaluation Proposals

Competing bills for Teacher Evaluation are about to start moving in the legislature. Some of our Legislative Champions are introducing a bill that reflects agreement between NEA-NM and the NM Federation of Teachers, as well as the perspective of the bill sponsors. Senator Howie Morales (D-Silver City) and Representative Rick Miera (D-Albuquerque) are introducing the bill we favor. Representative Dennis Roch (R-Texico) is introducing a measure (H.B. 276) that, with some differences, reflects the general approach of the P.E.D. and the Governor. There are still many questions about teacher evaluation, and many proposals being brought for debate during this legislative session.

We will be including whatever information we have on teacher evaluation at our Spring Advocacy conference and will also make every effort to get this information out to members through our website and other communication tools.

Your NEA representatives on NM TEACH and our lobby team are doing all we can to make sure the evaluation process is fair, transparent, and respectful of all educators and students. We are working with several legislators as well as with our AFT NM colleagues on this issue. Please continue to read the most current updates on legislative deliberations. Sign up for legislative alerts yourself and encourage colleagues to do so too.

Please express your concerns to your legislators! They need to hear directly from teachers about their concerns as well as from those of us representing you in SF. Your stories and comments provide legislators with good information to bring forward in the debates on teacher evaluation.

## Funding Recommendations:

The Legislative Finance Committee recommends \$32 million for a 1 percent increase for all public employees. Public employee salaries have not been increased across the board since FY09. The committee recommends \$38.4 million to reverse the 1.5 percent retirement swap (decrease in employer contributions to Public Employees Retirement Association and Educational Retirement Board, increase in employee contributions) adopted as a solvency measure in 2011. Finally the LFC recommends \$16 million for public schools and higher education to fund a scheduled 0.75 percent employer contribution increase that had been postponed during the solvency era. The ERB employer increase is contingent on enactment of 2013 legislation to further restore ERB solvency.

For public schools, the LFC is focused on the need to improve early learning proficiency and to close the achievement gap. The committee recommends \$2.5 billion in overall education funding, an increase of almost \$91 million, or 3.7 percent, over FY13 appropriations (not counting \$18 million for a recommended 1 percent compensation increase). Many states have added weights for at-risk students as high as 50 percent, but the New Mexico at-risk weight is only 8 percent. The LFC recommends \$23 million as a companion to legislation to increase the weight for at-risk students and to begin aligning the training and experience index with the three-tiered licensure system. Further, the LFC addresses the significant problem of early literacy with increased funding for Kindergarten-Three-Plus and prekindergarten of \$5.5 million each. These programs target at-risk students and demonstrate a high return on investment.

The Governor's budget for public schools does not recommend an across the board salary increase, but rather targets \$11 million for a merit pay increase for some teachers and nothing for any other employees. The public education department requests \$2.5 billion in funding, which represents an increase of \$99.3 million, or 4.1 percent, increase over the FY 13 appropriation.

The request contains:

- approximately \$2.34 billion to the State Equalization Guarantee, an increase of \$67.7 million, or 3.0 percent including:
  - over \$21.0 million for the Educational Retirement Board (ERB) Employer/Employee swap; and over \$11.5 million for an increase in the Employer's ERB contribution (0.75 percent)
  - approximately \$132.5 million in categorical public school support, an increase of \$3.2 million, or about 2.5 percent.
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