

*Wednesday, February 5, 2014*

Take Back Our Public Schools NEA-NM & AFT NM Rally at the Round House: February 15, 2014, Santa Fe Plaza and march to State Capitol

## Budget Battles Continue

In a presentation to the Senate Finance Committee the battle lines were drawn as proponents of the Governor's budget (the secretary-designate of public education and high-roller representatives of the business community) pushed for more centralized in the Public Education Department. Representatives of the Education Partners advocated for House Bill 3 and local control as well as across the board salary increases. The committee took no action, but merely heard a report on the status of the House budget bill.

Action continues behind closed doors in the House before an expected vote on the entire budget bill in the House Appropriations and Finance Committee (HAFC). The HAFC voted Monday night to accept a subcommittee report for education funding in the General Appropriations Act, House Bill 2. Most of the funding in House Bill 3 survived the subcommittee meeting this weekend. The consensus still has an increase for beginning salaries at each teacher licensure tier of \$2,000. It still has a 3% average salary increase for all school employees and an additional 3% increase for educational assistants. However, Republicans attempted to move money below the line and reduce unit value and increase funding for the Public Education Department Secretary-designate to have discretion for her and the governor's pet projects. It became clear that even though the recommendation for funding was approved, the committee staff and leadership will work behind closed doors to try to find a compromise with the Republican request to cut School Equalization funding by \$20 million dollars to give to the Governor's pet projects!

Continue efforts to let HAFC members and all legislators know that we support maximum funding "above the line" through 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!) and meaningful salary increases. Ask them to resist the Governor and her Republican followers attempts to reduce funding to school districts (and local control)! Although tonight's vote was along straight party lines, it was clear from the discussions that some Democratic leaders of the committee are open to discussions about further reductions in the "above the line" funding. Call all legislators now with the simple request, do not cut funding for public schools as contained in the compromise approved by the HAFC on Monday night! Oppose merit pay and the Governor's attempted take over of control of local school district budgeting!

It is still important to call all Committee Leadership Now! It is especially important to let the committee leadership know that we want them to keep the agreements reached over the weekend regarding education funding. Call them now with this simple message:

***New Mexico's public school students and employees are counting on you to hold the line on school funding. Please fund at the levels approved last night in committee.***

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## Permanent Fund

Representative Jim Trujillo's House Joint Resolution 3 was temporarily tabled in the House Voters and Elections Committee Tuesday morning.

Call Committee members and ask to take this important measure off the table and pass it on to the next committee!

This amendment will keep distribution to public schools from the permanent fund at the current level of 5.5%. The funding level dropped to 5.5% last year from 5.8% and, unless the amendment passes, will drop to 5.0% in 2016. Some points in support of HJR3:

1. Raising the distribution back to 5.5% will prevent drastic cuts in education funding starting in fiscal year 2017!
2. When the original constitutional amendment was conceived in 2003, it was assumed that support from the general fund would continue to increase; gradually completely replacing the additional funds created by the increased distribution rate and

allowing the reduction of the rate to 5% by 2017 since the natural increase in general fund revenues would have more than replaced these funds. No one anticipated that general fund support for the public schools would have three years of steady decline!

3. Should the 5.5% distribution level be allowed to sunset and the fund fail to show a return in the 8.5% range, public school funding from the fund would be greatly reduced and require even heavier commitment from a challenged general fund to avoid precipitous and devastating drop in school funding.
4. If the rate of return is realized, continuing the 5.5% distribution rate would actually move the legislature toward the increase that the 2008 funding formula task force indicated was required to provide sufficient funding of public schools. By 2020 about \$200 million would be added per year, not enough to overcome the years of under-funding, but a good effort nonetheless.
5. Clearly neither the 5.5% nor the previous 5.8% distribution rate has endangered the corpus of the fund; it has continued to increase and is predicted to double by 2020. The amendment would be logical to the voting public. Simply continue current practice of distribution and continue to help grow school funding without increasing taxes. If the amendment fails or is not sent to the public, it is clear that school funding will, in the worst case scenario, decrease or in the best case scenario, increase at a much slower rate in the near term, preventing the movement toward sufficient funding without a major effort from the general fund.
6. We are not asking the public to approve a tax increase, just keep the status quo of current funding levels from the permanent fund. Not passing this measure won't lower taxes, and in the long run will likely require a tax increase to prevent further cuts to public schools.