

02-08-10-13

Weekend and February 8, 2013

The House Education Committee Finishes House Bill 3, but Not Without Partisan Disputes

The House Education Committee completed work on I, House Bill 3, its version of educational funding Friday. Chair Mimi Stewart also recommended increasing compensation by half a percent to 1.5% and maximizing funding flowing through the funding formula. We supported these moves as the best way to make sure that all school districts and children are treated equitably. This meant that many of the Governor's pet projects, like merit and reading assistance targeted to a handful of specific districts had to be sacrificed to increase funding equity for all districts. Representative Stewart also proposed House Bill 459 to attempt to help get New Mexico out of hot water with the federal for failing to properly fund special education since 2009.

Legislators learned last week that the state could lose millions of dollars in federal funding for special-education programs because the legislature failed to meet maintenance of effort requirements for the grants. Usually federal grants are supposed to be to augment, not replace, state funding. Thus they generally require that states maintain their own funding efforts as a requirement of receiving the grants.

The U.S. Department of Education says the state has failed to meet "maintenance of effort" requirements

The state Public Education Department acknowledges New Mexico said it had sought a waiver from the requirements for fiscal years 2010 and 2011, but it recently learned it might not receive that waiver.

Legislators and education advocates alike were stunned by the revelation and expressed concern about its effect on the state's education budget.

New Mexico's liability would be about \$53.7 million for fiscal year 2010 and about \$39.7 million for fiscal year 2011 — a total of more than \$93 million.

House Bill 459 would not change how special education units are calculated or distributed to districts; it would, however create a mechanism to allow the federal department of education to "see" our effort in funding. It also requires that some \$30 million dollars come out of reserves to add additional funding for special education this year. We support House Bill 3 and House Bill 459 as passed out of the House Education Committee on Friday morning.

Unfortunately Republican members of the the House Education Committee appear to have received new marching orders since their cooperative stance regarding House Bill 459 on Wednesday. They sought to torpedo the chair's hard work and put the Governor's projects back in the budget. Both Bills passed on straight party line votes after much partisan rankling. Both bills go to the House Appropriations and Finance Committee, for a hearing Monday afternoon. This committee will incorporate school funding into the General Appropriations Act, House Bill 2.

Contact House Appropriations and Finance 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! Ask them to support House Bill 459.

Retirement Bills Move On!

The legislation we and most other Educational Retirement Board (ERB) stakeholders support, House Bill 64, and Senate Bill 115, represent the consensus of education stakeholders and the Education Retirement Board. The 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 6/30/13. Those public school employees making \$20,000 or less remain at a 7.9% employee contribution.

Friday's Action Moves Senate Version of Retirement Solvency Forward

The Senate version of Retirement Solvency, Senate Bill 115, sponsored by Senator Ingle, received a unanimous do-pass recommendation from the Senate Education Committee on Friday Morning

Contact Senate Education Committee to thank them for their support of, Senate Bill 115.

Senate Bill 115 goes next to the Senate Finance Committee.

Contact members of the Senate Finance Committee now to support our solvency proposals

Wednesday's Action Moves House Version of Retirement Solvency Forward

The House Education Committee had a lengthy and thorough hearing on House Bill 64 Wednesday morning. Only one person spoke against the legislation, Brad Day, a Governor's appointee to the ERB. Even though the board itself has a position in support, Day choose to criticize the legislation on a point not even included in the bill--an actuarial assumption of a 7.75% return on investment made by the ERB's actuary. Most financial experts consider that a plan that has earned an average rate exceeding 8% over the last 25 years can expect the same rate over the next 25! Representatives of Education Partners and many others spoke in favor.

Two Republican members of the committee sought to weaken (or destroy) the bill's effectiveness with dilatory amendments. The first by Representative Gallegos would have essentially ended Cost of Living Increases for thirty years. The second by Representative Baldonado would have imposed a minimum retirement age of 62 for all active members more than ten years away from retirement eligibility. Both amendments failed. The final do-pass motion passed eleven to 2. All votes are indicated below:

Name	party	1st Amend NO is correct	2nd Amend NO is correct	Final Do-pass YES is correct
Chair Mimi Stewart	D	No	No	Yes
Vice-chair Christine Trujillo	D	No	No	Yes
Alonzo Baldonado	R	Yes	Yes	Yes
Nathan "Nate" Cote	D	No	No	Yes
Nora Espinoza	R	Yes	Yes	No
David M. Gallegos	R	Yes	Yes	No
Stephanie Garcia Richard	D	No	No	Yes
Jimmie C. Hall	R	Yes	Yes	Yes
Dianne Miller Hamilton	R	Yes	No	Yes
Rick Miera	D	No	No	Yes
Dennis J. Roch	R	No	No	Yes
Tomás E. Salazar	D	No	No	Yes
Sheryl Williams Stapleton	D	No	No	Yes

This legislation goes to the House Appropriations and Finance Committee for its next, and we hope, last stop before going to the floor of the House.

Contact House Appropriations and Finance Committee now to support our solvency proposals, House Bill 64.
