

02-16-12

Thursday, February 16, 2012

Clock Ticks Down on Lackluster Legislative Session

The clock is running down on the 2012 legislative session. It ends at high noon. Not too much damage has been done, but not much has been accomplished either. We will have a complete summary in this space early next week.

Senate Retirement Bill Amended in House Labor Committee

Senate Bill 150, introduced by Senator Stuart Ingle, increases the employee contribution rate to retirement by a full 3.4% of salary over the next four years. Senate Bill 150 passed the Senate Sunday evening on a 30 to 12 vote. Follow this link to see who supported you and who didn't (no was the correct vote). Senators Eric Griego, Mary Jane Garcia, and Cynthia Nava were vocal in their condemnation of the unfairness in this bill. We and AFT NM had already agreed to increase employees share by 2% as contained in House Bill 269 and HB 270 (see below), but that wasn't enough the majority of Senators.

The measure received a so-pass recommendation in the House Education Committee Monday and was amended and temporarily tabled in the House Labor and Human Resources Committee, late last night. Let members of the House Labor and Human Resources Committee, know that forcing employees to shoulder the entire burden of bailing out an under-funded retirement is unfair and that the bill should keep the amendment intact. The amendment follows our recommendation of keeping the 1.5% increase added two years ago and slowly adding another .5% over 5 years at .1% per year. Finishing at 9.9% in five years (down from the current 11.15% caused by the budget balancing swaps). The state would be required to move to its statutorily required 13.9%.

Tell the committee and House members to preserve the House Labor and Human Resources Committee amendment. Since there is no hearing scheduled for the House Labor and Human Resources Committee, this bill may die in committee. If no agreement can be reached with the Senate to share the contribution increase, that is our preference. That means that all retirement issues (ERA and PERA) will have to be addressed next year on in an unlikely special session.

Call their office or the Capitol Switchboard NOW! (505) 986-4300 and ask for them by name with this message:

Keep the House Labor Committee amendments on Senate Bill 150 or let it die in committee.

House Retirement Bills Better Alternative than Senate

Representative Mimi Stewart, with our encouragement, has introduced bills that move us toward solvency without asking too much from employees. It is unlikely that these bills will get a hearing in the Senate Finance Committee, since they are fair to employees. Both House Bill 269 and HB 270 move employee contributions up from the statutory 7.9 % to 9.4% after both the pensions swaps have expired down from the current 11.15%. These bills effectively reduce our rates from the current 11.15% (inflated from 7.4% by the two pension swaps to balance the budget of 1.5% and 1.75%) to 9.4% permanently. Both bills require the state to meet its statutory obligations and move from the current 9.15% back to the required 13.9%. We believe that this is great start toward solvency. The only additional need is for the state to increase beyond the current statutory requirement and add 1.4% to get to 15.3%. HB 270 also raises the contribution rates for other public employees in the PERA plan to add a little equity between the two plans.

From the comparison sheet, HB 270 (not shown) has the same rates as House Bill 269, the difference is that HB 270 also raises PERA rates by 1.5%. Senate Bill 150 was, unfortunately, amended in Senate Finance to have the same rates as in the tabled Senate Bill 305.

House Bill 269 passed the House on a near unanimous vote and is awaiting a hearing in the Senate Education Committee. Contact committee members in support of House Bill 269.

Student Retention Bills

House bill 69 sponsored by Representative Mary Helen Garcia passed the House late today. Most Democrats tried to no avail to modify the measure to take out mandatory retention. Representative Mimi Stewart was passionate in her debate about the deleterious of retention on students. She cited research after research report that came to that conclusion. Again to no avail. There seems to be a rush to do something, even if that something is completely wrong. Check here for the final vote.

The Senate punted on action on student retention/early reading intervention bills. Since attempts to compromise and create one bill failed, the Senate passed both Senate Bill 50 and Senate Bill 96. We supported Senate Bill 50 because it honors parent input and teacher and school district discretion to determine the best remediation strategies. Senate Bill 50 was tabled in the House Education Committee this morning.

We opposed the Governor's Senate Bill 96, which is not true to the principles of parent involvement or local autonomy. Senate Bill 96 received a do pass from the House Judiciary Committee late last night and is headed for the House calendar. Let House members know that we don't agree with the premise of the bill, mandatory retention of third graders without parental permission!

Teacher Evaluation Compromise Reached in House

The House Labor and Human Resources Committee passed a committee substitute for House Bill 249 and House Bill 251, the teacher evaluation bills. We opposed any weakening of teacher due process in the teacher evaluation bills. We also wanted districts to have the opportunity to have flexibility rather than imposing a prototype created for an urban school district mandated for the entire state. These principles are in the compromise committee substitute, which could be on the House Floor today or tomorrow.

The compromise preserves and strengthens teacher due process and, for the first time in New Mexico law, requires that decisions to discharge or terminate teachers for performance related causes actually be based on evaluations, with required structured remediation before such decisions are made; then there is still access to the full due process rights of current law. The compromise does not contain language that allows teachers to recommend the termination of other teachers (as did House Bill 251). Full discharge and termination protections of current law are maintained. Ask legislators to support House Labor and Human Resources Committee Substitute for House Bill 249 and House Bill 251. The measure still requires that fifty percent of a teacher's evaluation shall be based on student growth but states there must be "valid and reliable measures of student growth and achievement that has a valid and reliable connection to teacher effectiveness;" all reference to the New Mexico Standards Based Assessment has been removed.

However, it is not clear that the compromise will hold in the Senate. Senate bill 315 (which harms due process) is on the Senate Calendar. The House compromise was substituted for Senate Bill 293 in the Senate Judiciary Committee this morning, but was unable to move from the committee after the substitution. We support this compromise. Ask committee members to move it to the Senate Calendar! Unless there is a meeting of the Senate Judiciary Committee in the closing hours of the legislature, it is unlikely that a teacher evaluation bill will pass this session. That may put our just approved waiver from NCLB in jeopardy.

Budget Sent to Governor

Near midnight on Monday, the Senate passed General Appropriations Act, House Bill 2 on a 34-6 vote. She has threatened to veto it unless some of her tax giveaways to business pass the legislature. At least one of them seems destined to pass. Doing away with so-called gross receipts tax pyramiding. It really narrows our tax base and further damages our the broad-based nature of our gross receipts tax structure!

The bill is almost identical to the one passed by the House. One amendment — supported by Democrats — did get added ; it calls for an additional \$5.2 million to the \$5.6 billion budget package for, "drug courts, food banks, adult literacy programs, library services and established a Ben Luján Cancer Program at the University of New Mexico. Also included are budget funds to eliminate unfair mortgage practices, and job training incentive programs."

The bill anticipates \$254 million in new revenue for fiscal year 2014. Of that \$254 million, a little more than \$36 million is not appropriated and could be used for tax reduction or other spending.

An amendment calling for prohibiting state employees such as teachers who serve in the Roundhouse from getting paid legislative per diem as well as receiving paid leave from their taxpayer-funded jobs while attending sessions and committee meetings in Santa Fe failed.

Last week, the House unanimously passed the General Appropriations Act, House Bill 2, spending \$5.6 billion on public education and other government programs next year. The measure is awaiting a hearing in the Senate Finance Committee. It calls for a \$215 million, or nearly 4 percent, increase in spending out of the state's main budget account in the fiscal year that starts July 1. The budget doesn't spend all available revenues, making it possible for lawmakers to cut taxes or provide more money for programs before a final agreement is reached with the Senate on the spending blueprint.

The House-passed budget allocates nearly \$50 million for once again assuming the obligation of the 1.75% pension swap passed two years ago. While it will boost the take-home pay of public employees, it is really just returning money that never should have been taken in the first place. The pension swap is to expire because state finances have improved.

The budget doesn't allocate nearly \$42 million in revenues the state expects to collect next year. That money can be used by the Senate to increase spending on some programs or lawmakers can cover the cost of tax cuts proposed by Democrats and Republicans. Any tax reduction will be handled in separate legislation.

The budget bill contains \$2.4 billion for public schools, a 3.8 percent or \$89 million increase. However, almost none of funding has any flexibility for its use. All the funding increase for the State Equalization Guarantee (SEG—the main funding source for school districts) is for the pension swap, insurance cost increases, and enrollment growth. The rest of the funds finance several of the governor's initiatives, including \$8.5 million to ensure students can read proficiently in early grades. We prefer that funds flow through the SEG to provide a little flexibility for things like salary or benefit increases!

If this bill passes, the state expects to have reserves of \$558 million at the end of the 2013 fiscal year — the equivalent of 9.9 percent of state spending.

Senate amendments to House Bill 2 were accepted by the House and the budget is now in the hands of the Governor.
