

Legislative Update, January 31, 2018

Budget Bill Gets Bipartisan Approval

[The House](#) voted 65-3 today after less than an hour of debate to pass House Bill 2, the [General Appropriations Act, House Bill 2](#). It will increase state spending by about \$249 million over current levels – or roughly 4.1 percent. The bill now moves on to the [Senate](#), with just over two weeks left in the ongoing 30-day legislative session. The Bill will be heard in [the Senate Finance Committee](#). This committee will likely consider amendments for the next few days and possibly consider the bill over the weekend. Most public employees have not received a pay raise since 2014; the budget passed by the House would provide about \$90 million in total compensation increases. That includes a 2 percent salary increase for rank-and-file state workers and even larger pay bumps for State Police, corrections officers and judicial branch employees. Teachers would get a 2.5 percent pay raise, and starting teacher pay would go from \$34,000 to \$36,000 a year. Minimum pay levels for more experienced teachers would be raised as in Senate Bill 119 (see below). Other school employees would get a 2% raise. The budget plan also calls for more than 10 percent of state spending — or nearly \$643 million — to be set aside in cash reserves. As it sits now, in addition to the funding for public education, the budget fully funds Medicaid—the health insurance program for low-income kids, seniors, and those with disabilities—and child care assistance.

Members of [Senate Finance Committee](#) will likely make amendments to the budget. Call all [committee](#) member and ask them to support the increased school funding and to consider higher salary increases to help cover increased health insurance costs.

We also support a permanent change to teacher minimum salaries. [Senate Bill 119](#) sponsored by [Senator Mimi Stewart](#) and co-sponsored by Senators [Gay Kernan](#) and [Bill Soules](#), will increase the minimum for each licensure tier for teachers as follows: tier 1: \$36,000; tier 2: \$44,000; and tier 3: \$54,000. This measure received a unanimous do-pass in [the Senate Education Committee](#) last week and is on its way to [Senate Finance Committee](#). Call all [committee](#) members to support this important change.

Bill to Restore School District Cash Balances Tabled in House Appropriations and Finance Committee

[House Bill 141](#), sponsored by [Representative James Townsend](#), was heard in the [House Appropriations and Finance Committee](#) this afternoon. House Bill 141 appropriates \$40.8 million from the general fund to refund reductions to the state equalization guarantee (SEG) distribution in FY17 that were made based on public school cash balances. This bill contains a one-time \$40.8 million general fund appropriation to reverse solvency actions taken in FY17 relating to SEG reductions based on cash balance levels. Following consensus revenue forecasts showing the state would end FY17 with negative general fund reserves, the Legislature took several actions in the first weeks of the 2017 regular session to ensure the state remained solvent. Among these actions was Laws 2017, Chapter 3 (Senate Bill 114), which reduced the FY17 SEG distribution to school districts and charter schools by \$50 million as a credit for excess FY16 cash balances. The emergency credit was applied proportionately to all school districts and charter schools based on FY16 program cost, excluding school districts that received an emergency supplemental appropriation in FY17 and school districts or charter schools that would see their FY16 audited cash balances fall below 3 percent of FY16 program cost. PED administered the credit by reducing SEG distributions to eligible school districts and charter schools. Due to the department's interpretation of "audited cash balances," \$40.8 million was the final amount taken from school districts.

A do-pass motion failed on a 7-9 vote and the measure was temporarily tabled. Committee chair [Representative Patricia Lundstrum](#) noted that all the available revenue was already in the budget bill and only changes in the budget could fund House bill 141. She noted that perhaps changes could be made in the Senate and said she would look at ideas for some way to move the bill. We would like to see the extra funding, but we want the Senate to protect the salary and funding levels already achieved in the House!

Come to Santa Fe Saturday!

A Joint Hearing of the Senate and House Education Committees will be held on Saturday, February 3. This is a unique opportunity for educators to directly share your stories of the opportunities your students lose when our state fails them with insufficient spending (even this year's miniscule increases won't make up the cumulative effects of underfunding). The Hearing is 10 a.m. to 1 p.m., Room307.. (but come early to sign-in). We are pleased to announce our special guest from the NEA Executive Committee Member George Sheridan will join our NEA-NM President Patterson for a press conference at 9 a.m. in the Capitol Rotunda. NEA-NM members are invited to attend and receive a breakfast burrito. Meet in the Capitol Rotunda. [Click here to register.](#)