

New Hampshire School Boards Association
Legislative Bulletin
April 25, 2008



A Weekly Update of Important Activity in the Legislature

Labor Relations – Evergreen Clause: HB 1436

The public hearing before Senate [Commerce, Labor and Consumer Protection Committee](#) was crowded with both employee and employer representatives (see [NHSBA Testimony](#)). Committee members appeared receptive to the proposal but delayed taking any immediate action on the bill. HB 1436 requires the continuation of the terms of a collective bargaining agreement if an impasse between public employers and employees is not resolved, specifically requiring the continuation of any pay plan until a new successor agreement is implemented. Such a provision unilaterally implements pay raises and bypasses the local voter approval process, increasing the school district appropriation without a vote of the legislative body. It would impose a financial obligation on the school district beyond the negotiated duration of the contract. When contracts are noticed to the voters, estimates are provided of the cost for each year of the proposed agreement, and voters are noticed of a specific end-point. Extending pay provisions beyond the expiration date of the contract represents an unfunded mandate being placed on taxpayers. It is imperative that you contact members of the committee, as well as your own senator, and urge defeat of this proposal.

ACTION ITEM – OPPOSE HB 1436

Please contact your senator and members of the committee, urging them to oppose this bill that tips the balance of negotiations and unilaterally implements pay raises without local voter approval. HB 1436 fosters a more adversarial bargaining process leading to more impasses, with no incentive for labor to bargain a new contract when automatic pay increases are guaranteed. There are many reasons for impasse at the local level, including those contracts rejected by vote of the legislative body at a district meeting; this bill will require that employee raises be provided.

Retirement – Omnibus Bill: HB 1645

The Senate [Executive Departments and Administration Committee](#) continues to hold public hearings on this bill. Last week's focus was on the [medical subsidy](#), and this week's was on [governance issues](#). Labor unions persist in their opposition to the bill and expect taxpayers to fund a new non-pension benefit, the medical subsidy. The increase in employer contributions will be significant, more than a 50% increase. Passage of HB 1645, which includes a transfer of \$250 million from the Special Account back into the pension fund, will moderate the increase in employer rates, about a 20% increase to cover the normal contribution and unfunded liability. (Use the NH Municipal Association [Retirement Cost Increase Calculator](#) to estimate the impact on your school district if HB 1645 passes or not.) Another important aspect of the bill is a change in governance relative to members on the Board of Trustees. HB 1645 creates a structure where stakeholders do not represent a majority, legislative representation is retained and people with qualified expertise are involved. The change is not meant to cast aspersions upon those who have served on the Board in the past, but to recognize and acknowledge that a public pension system of \$6 billion is extremely complex. Its oversight and management requires expertise in, and knowledge of, investments and actuarial determinations that are critical to the health of the pension fund. Committee action on this bill is expected next Wednesday with a full Senate vote on Thursday.

ACTION ITEM – SUPPORT HB 1645

Request your payroll data from your administrators and use the [Retirement Cost Increase Calculator](#) to determine the financial impact on your district and then share this cost with your senator. Urge their support for this bill that incorporates needed changes to ensure the long-term viability of NHRS. Changes include the transfer of \$250 million earmarked for health benefits from the Special Account into the pension fund. The \$250 million transfer is crucial to offset increases in employer contribution rates beyond the normal pension cost, mitigating the potential 28-a unfunded mandate resulting from adding the cost of the medical subsidy to the employer contribution rate. The bill also stops the automatic 8% increase in the medical subsidy benefit to contain the projected cost so that employer contributions will terminally fund the benefit. In addition, the bill strengthens the fiscal integrity of NHRS by acknowledging the complexity of a \$6 billion system: two new trustee positions with financial and investment expertise are added, while the duplicate representation of Group I and II members is reduced from 8 to 4.

Education Funding – Adequacy: SB 539

The House Finance Committee continues to review this \$970 million Adequacy Cost bill (see details in [previous Bulletins](#), brief summary in [last week's Bulletin](#)). Another Committee work session is scheduled for next Monday, with a vote of the Committee scheduled for next Tuesday, April 29. Committee members continue to review the costs associated with the bill: universal cost of \$3,450, differentiated cost based on free/reduced price meal eligible pupils and students receiving English language learning or special education services, fiscal capacity disparity aid, transition aid, and an inflation factor for future calculations based on the consumer price index.

Education Funding – Kindergarten: SB 530

The House Finance Committee continues to review this bill in conjunction with the Adequacy Cost bill (see summary of provisions at [April 11 Bulletin](#)). Proposals to allow districts to contract for the provision of kindergarten have been suggested. Another Committee work session is scheduled for next Monday, with a vote of the Committee scheduled for next Tuesday, April 29.

Education Funding – Constitutional Amendment: CACR 34

This bill remains in the Finance Committee, with work sessions scheduled for May 1 and 6, and a final vote on a recommendation scheduled for May 8.

ACTION ITEM – OPPOSE CACR 34

Please contact members of the [House Finance Committee](#) and also talk with your local representatives now. Share with legislators that NHSBA adopted a resolution in January opposing such an amendment. The Resolution is as follows: “The NHSBA opposes any constitutional amendment that vacates the spirit and intent of the Claremont and Londonderry lawsuits and attempts in anyway to limit or redirect funding in a manner that is contrary to the NH Supreme Court’s ruling and present interpretation of the NH Constitution.” Voice your concerns over potential state aid losses that will impact school budgets. While NH may have a few towns that are outliers on wealth factors, most communities are not wealthy and rely on state aid. Historically, Foundation Aid was a “targeted” aid program, requiring over \$200 million in funding, yet usually \$30-\$50 million was appropriated, and at its best only \$60+ million, leaving “average” districts with little or no financial support.

Labor Relations – Teacher Nonrenewal: SB 374 and HB 1330

SB 374 remains in the [House Education Committee](#), scheduled for a committee vote on May 6. SB 374, as well as HB 1330, changes the nonrenewal process by removing current language making State Board review of nonrenewals the exclusive remedy for an appeal. Both bills will allow non-renewal appeals to be arbitrated under the terms of a collective bargaining agreement or reviewed by the State Board. The standard for a State Board review remains unchanged at “clearly erroneous”. NHSBA continues to voice opposition to these bills that are strongly supported by the labor unions and, to our surprise, the Dept. of Education. HB 1330, assigned to the [Senate Education Committee](#), has still not been scheduled for public testimony.

ACTION ITEM

Please contact committee members and your legislators and alert them to these bills. Arbitration provisions in most contracts were never intended to include nonrenewal. The current process has been working, with very few teachers actually non-renewed under the provisions in 189:14-a. Specific language was adopted in 2003 requiring written notice of unsatisfactory performance, opportunity to correct the deficiency, and proof that the teacher failed to correct the unsatisfactory performance. This language has been working and nobody has testified to any problems or controversy. The proposed change is unnecessary.

Please review the ACTION ITEMS above and contact your local representatives, senators, and committee members TODAY to voice your concerns regarding legislative proposals. Remember that you, through NHSBA, are the only locally elected officials that “speak” exclusively for public education in NH.

For the complete text of any bill, go to <http://www.gencourt.state.nh.us/ns/billstatus/quickbill.html> and enter the bill number, e.g. HB1469, SB362 or CACR21 (no spaces!), and make sure the Session Year is 2008.

For more information on specific legislation, please call Dean Michener, NHSBA Director of Governmental Affairs at 603-228-2061, or email: deanm@nhsba.org.