

**New Hampshire School Boards Association
Legislative Bulletin
May 2, 2008**



A Weekly Update of Important Activity in the Legislature

Labor Relations – Evergreen Clause: HB 1436

The Senate Commerce, Labor and Consumer Protection Committee voted 5-1 to recommend killing this bill that would require the continuation of the terms of a collective bargaining agreement if an impasse between public employers and employees is not resolved. It specifically requires the continuation of any pay plan until a new successor agreement is implemented (see [NHSBA Testimony](#)). The Committee recommendation of Inexpedient to Legislate is scheduled for consideration by the full Senate next Thursday, May 8.

ACTION ITEM – SUPPORT THE COMMITTEE RECOMMENDATION TO DEFEAT HB 1436

Please contact your senator and urge support for the committee recommendation of Inexpedient to Legislate. Defeat of this bill will prevent the implementation of pay raises without local voter approval. HB 1436 would foster 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 would require that employee raises be provided.

Retirement – Omnibus Bill: HB 1645

The Senate Executive Departments and Administration Committee retreated significantly from the House position, recommending a scaled back bill and assuming time still remains before change is needed. The proposed amendment contains the \$250 million transfer from the Special Account, but only implements a temporary 4 year moratorium on medical subsidy increases, which resume with 4% increases thereafter. In addition, it provides a 2.5% COLA (included in the base) on pensions “up to” the first \$30,000, thereby targeting the COLA benefit to lower end annuity payments. In addition, it also provides a temporary supplemental payment of \$1,000 for those retirees receiving a pension of \$20,000 or less.

This Senate Committee proposal increases liabilities associated with the retirement fund and removes language aimed at long-term cost savings on benefits, yet does not transfer any more money into the pension fund to cover these projected costs. The additional liability of extending the deadline another year for Group I retirees to receive the medical subsidy adds yet more costs to be placed on local taxpayers. Representatives of local government initially offered the proposal to maintain the medical subsidy benefit by transferring funds from the Special Account, in effect pre-funding the benefit and making the source of payment as originally intended, from the Special Account and NOT from employers. We continue to request enough money be transferred to cover the obligation and include “hold harmless” language in the bill, ensuring that if projected estimates are less than actual costs, local taxpayers are protected from funding a new mandate. Finally, the Senate Committee proposal deletes the changes to governance (Board of Trustees) adopted by the House. Instead, it simply adds audit and investment committees, empowered to invest system funds according to policies set by the Board. The committees would include non-board members with expertise, but who serve at the pleasure of the Board. A full Senate vote on the recommendation is expected next Thursday.

ACTION ITEM – SUPPORT THE HOUSE VERSION OF HB 1645

Call your senator and explain that passage of a balanced version of HB 1645 is critical. In addition to addressing the needs of our public employees and retirees, consideration of local property taxpayer burdens is also necessary. Remind them that the Special Account was always intended to be the source of funding for the medical subsidy and the current bill needs an amendment to hold taxpayers harmless for any increase in costs due to this benefit. In addition, the bill should include a change in governance that acknowledges the complexity of a \$6 billion system: support the House recommendation of two new trustee positions with financial and investment expertise and the elimination of duplicate representation for Group I and II members, reducing their number from 8 to 4.

Education Funding – Adequacy: SB 539

The House Finance Committee voted 13-9 on a proposal that drops the \$970 million cost down to \$940 million. The cost of adequacy continues to be based on \$3,450 plus differentiated aid based on free/reduced price meal eligible pupils, and students receiving English language learning or special education services. Fiscal Capacity Disparity aid remains, as well as an inflation factor for future calculations based on the consumer price index. However, transition aid has been

replaced by language requiring the legislation to be “phased in a manner that allows all school districts to attain adequate funding while protecting districts during the transition period against disruptive reductions in funding” when their grants are reduced. The proposal stipulates that for the next two years, no district shall receive less than its current grant, nor more than a 15% increase. This caveat applies to donor towns that pay excess property taxes: these towns would be held harmless and not pay any excess tax. The recommendation goes to the full House for a vote on May 7.

(A listing of the [ESTIMATED IMPACT](#) on each community is available on the NHSBA website.)

Education Funding – Kindergarten: SB 530

The House Finance Committee voted 13-9 to recommend a plan allowing districts to contract with private programs before having to create their own public kindergarten program. In addition to the state paying for up to 3 years of temporary leased portable classrooms, and covering 75% of the actual cost of construction or 100% of “basic, code compliant” construction, districts may contract with a private entity to provide a kindergarten program for a period not to exceed 4 years. The recommendation goes to the full House for a vote on May 7.

Education Funding – Constitutional Amendment: CACR 34

House leadership has lined up in support of a new proposal offered by Finance Chair Rep. Marjorie Smith (Durham). The proposed language calls for the state to “raise the funds that total the statewide cost of an adequate education and to distribute these funds in a manner that alleviates local disparities in educational opportunity and fiscal capacity.” The language only refers to ‘adequacy’ and does not include any of the amounts in SB 539 regarding fiscal capacity or transition aids. It will allow any legislature to redefine adequacy and set an amount to distribute in any way it chooses to define ‘fiscal capacity’, putting the bulk of the state’s average wealth districts at risk of losing current levels of state support. Another work session is scheduled for May 6 with a final committee 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

HB 1330 is scheduled for a public hearing before the Senate Education Committee, on Tuesday, May 6 at 9:15 am. SB 374 remains in the House Education Committee, scheduled for a committee vote on May 6. Both these bills change the nonrenewal process by removing current language making State Board review of nonrenewals the exclusive remedy for an appeal and allowing 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 the Dept. of Education.

ACTION ITEM – OPPOSE SB 374 AND HB 1330

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/bill_status/quick_search.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, please call Dean Michener, NHSBA Director of Governmental Affairs at 603-228-2061, or email: deanm@nhsba.org.