

**New Hampshire School Boards Association
Legislative Bulletin
December 22, 2006**



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NEW HAMPSHIRE
SCHOOL BOARDS
ASSOCIATION
Incorporated 1946

Happy Holidays to You!

NHSBA wishes you a safe and happy holiday and warm times with family and friends. Next month will bring a return to the 'legislative season', and NHSBA Bulletins will resume, keeping you informed on proposals being considered in the education arena. The new and improved NHSBA Legislative Advocacy Network will be part of the process, with local liaisons keeping watch on the happenings in Concord. Here are some thoughts to keep in mind as you ponder the coming session.

Leadership

The new Speaker of the House is Representative Terie Norelli of Portsmouth. Representative Mary Jane Wallner of Concord is the Majority Leader. Representative Mike Whalley (Alton) is the Minority Leader. Senator Sylvia Larsen of Concord is the new Senate President, with Senators Margaret Hassan (Exeter) and Joseph Foster (Nashua) serving as President Pro Tem and Majority Leader respectively. Senator Ted Gatsas (Manchester) is the Republican Leader.

Committees

The House Education Committee is chaired by Rep. Emma Rous of Durham, with Rep. Tim Dunn of Keene as Vice Chair; both are in their 3rd term in the House. The ten remaining Democrats will be Kimberley Casey (Kingston), Claire Clarke (Boscawen), Judy Day (N. Hampton), Claudette Jean (Nashua), Scott Merrick (Lancaster), James O'Neil (Merrimack), Judith Reeve (Laconia), Barbara Shaw (Manchester), Kimberly Shaw (Nashua) and Charles Yeaton (Epsom). The eight Republicans will be Sharon Carson (Londonderry), Elenore Crane (Nashua), David Hess (Hooksett), Paul Ingbretson (Pike), Karen McRae (Goffstown), Pamela Price (Nashua), William Remick (Lancaster) and Nancy Stiles (Hampton).

The Senate Education Committee is chaired by Senator Iris Estabrook of Durham, with Senator Joseph Foster of Manchester as Vice Chair. The two remaining Democrats are Martha Fuller Clark (Portsmouth) and Molly Kelly (Keene). The two Republican members are Peter Bragdon (Milford) and Robert Letourneau (Derry).

The Finance Committees this year will be dealing with the state budget, in addition to a few other items! **The House Finance Committee** is chaired by Rep. Marjorie Smith (Durham), with Rep. Bernard Benn (Hanover) as Vice Chair. The remaining thirteen Democrats are Ben Baroody (Manchester), Tom Buco (Conway), John DeJoie (Concord), Dan Eaton (Stoddard), Robert Foose (New London), Linda Foster (Mont Vernon), Peter Franklin (Newport), Art Jillette (Goshen), Peter Leishman (Milford), Martha McLeod (Franconia), Bonnie Mitchell (Jaffrey), Sharon Nordgren (Hanover) and David Smith (Nashua). The nine Republicans are Eric Anderson (Bow), Larry Emerton (Goffstown), Ken Gould (Derry), Fred King (Colebrook), Neal Kurk (Weare), Bev Rodeschin (Newport), Stephen Stepanke (Amherst), Fran Wendelboe (New Hampton) and Ken Weyler (Kingston).

The Senate Finance Committee is chaired by Senator Lou D'Allesandro (Manchester) with

Senator Harold Janeway (Webster) as Vice Chair. The three remaining Democrats are Senators Sylvia Larsen (Concord, Senate President), Margaret Hassan (Exeter) and Kathleen Sgambati (Tilton). The two Republican Senators are Bob Odell (Lempster) and John Gallus (Berlin).

Tasks to Accomplish

Budget! All newly elected legislatures must adopt a budget for the biennium. State agencies prepare budgets and make presentations, the Governor prepares a budget, and the House will also have a budget, designated as a House Bill to be considered by the Finance Committee. During the entire process, revenue estimates will be made and much testimony given on the need to fund various programs. Hearings and debate originate in the House and then move to the Senate.

School Funding and Adequate Education! The recent Londonderry Supreme Court Decision will be an integral part of the session and budget consideration. The Court ruled that the State has failed to define a constitutionally adequate education and thus there is no way to determine whether the State has met its constitutional obligation to fund an adequate education. The current level of state support for an equitable education is \$363.3 million from the statewide education property tax, and \$472.8 million in grants to local communities. The Legislature must now: 1) define, with specificity, the components of a constitutionally adequate education, 2) determine the cost of funding such education, 3) ensure that any tax plan that supports the components of an adequate education be done through a uniform tax, and 4) implement a system for accountability and review of the educational standards – all with a deadline of June 30, 2007. While the current funding system remains in effect for this fiscal year, the distribution formula may well change based upon any new and/or revised definition of adequacy. For additional information on school funding and the Londonderry case, go to www.nhsba.org and select the SCHOOL FUNDING link.

Retirement! Another important part of the legislative puzzle will likely be the NH Retirement System, providing pension benefits to employees, teachers, firefighters and police officers. While the past legislative session focused on the disappearing health insurance subsidy from the special account, we now know that the retirement system is only funded at 60-70% of its pension obligations. The lower return on investments during the beginning of the decade, changing demographics, and funding for COLAs and health care subsidies from the special account are the primary reasons. While teachers contribute 5% as defined in statute, the employer (school district) contribution rate is set for the biennium by the NHRS Board of Trustees based upon actuarial valuations and forecasts. This year's rate of 5.70% was more than a 40% increase over the rate paid in fiscal years '04 and '05. The rate will increase 56% this July to 8.93% for the next two fiscal years. Local employer budgets are responsible for 65% of the rate for teachers, firefighters and police; the state pays 35%. Not only local budgets are impacted by these rates, but the state budget as well. School districts also pay 100% of the contribution rate for an employee, which is increasing by 28% from 6.81% to 8.74%. Local governmental entities and the state are significantly impacted since current law requires employer rates to change, as necessary, to maintain the funded ratio of assets to liabilities. Restoring the funding ratio to 90+% over the next 15 years requires employer rates to double if no changes are made.

Throughout the last session, much attention was focused on the retirement system (NHRS) and the fact that health care subsidies will expire as early as 2011 for teachers. These issues, coupled with increasing employer contribution rates, prompted the formation of a working group consisting of representatives of both management and employees. NHSBA is participating in these discussions, which are facilitated by a Federal Mediator. The group has spent considerable time developing a common understanding of the problems and is working on a number of ideas to determine the impact various proposals will have on all stakeholders. While NHSBA is optimistic that solutions can be achieved through this process, any proposal will have to be considered by

member organizations and ultimately voted on by the legislature.

Make sure your local representatives know where their school board stands on important legislative proposals. Keep your legislators informed and aware. **Remember that you, through NHSBA, are the only locally elected officials that “speak” exclusively for public education in NH.** Need some help? Learn how you can be involved in NHSBA’S Legislative Advocacy Network and make your board’s voice heard. **Call NHSBA (800-272-0653) or (603-228-2061) today** and be part of the team. For more information or details, or for information on specific legislation, please call Dean Michener at 603-228-2061.

Dean Michener, Associate Director
N.H. School Boards Association
(603)228-2061 - deanm@nhsba.org