



News from the Utah Legislature



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2010 General Session Summary

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Tough Economic Climate Makes for Tough 2010 Legislative Session *Public Education Fares Better Than Most Agencies*

Please unbuckle your seatbelts and exit to the right. The 2010 Legislature rollercoaster ride is over.

“Given the economic circumstances and issues we faced from day one of the legislative session, public education and educators fared remarkably well in the end,” said UEA Executive Director Mark Mickelsen. “I am especially pleased that teachers in the Jordan School District received a lifeline that may help them avert painful layoffs this spring.”

Many legislators and others attributed the outcomes for public education on the hundreds of e-mails, letters and personal contacts received from teachers and parents. Especially helpful and successful were the personal contacts with legislators made during UEA’s six ‘Educator Day on the Hill’ activities. More than 100 educators participated this year.

The session was marked by tough battles over state employee retire-

ment benefits, association leave rules, and a nearly \$1 billion budget shortfall that threatened to compound Utah’s already tenuous public education funding situation.

UEA President Kim Campbell said, “the goal expressed by the governor, legislative leadership, and the Democratic minority was to hold public education to last year’s funding levels. In this tough economic climate, although there were cuts and growth wasn’t funded, they came very close to reaching their goal in the overall budget. The fact that public education received ongoing money will help avoid a disastrous funding cliff in next year’s budget. We thank our legislators and Governor Herbert for their hard work and support of public education.”

“If I could have changed one thing about this legislative session, it would be more focus on long-term, sustainable public education funding,” noted Campbell.



Your UEA Legislative Team for 2010: (left to right) former Executive Director Susan Kuziak, Director of Government Relations Kory Holdaway, President Kim Campbell and Executive Director Mark Mickelsen. Not pictured: Vice President Ellen Thompson and Director of Educational Excellence Sara Jones and Director of Policy and Research Jay Blain.

Current Public Employees Spared Cuts **Retirement Changes Passed**

Two major bills dealing with the Utah Retirement Systems passed during this session, neither affecting current employees. **SB43: Post-retirement Employment Amendments** and **SB63: New Public Employees’ Tier II Contributory Retirement Act** passed the Legislature on March 1 and await the Governor’s signature. While the UEA still believes the state would have been better served by allowing a year to study these issues and develop alternative solutions, these bills are much

improved from their original form.

The bills were improved, in large part, because of the hundreds of letters, e-mails and personal contacts with legislators.

Contacts with legislators also helped stop two additional bills that would negatively impact retirement benefits for current employees. SB42 would have extended the years of service required for retirement and SB94 would have eliminated the 1.5 percent employer 401(k) contribu-

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Public Ed Budget Cut \$9 Million

Public education will be held to about a \$9 million reduction from last year’s budget, but without additional funding to educate 11,000 new students. The net result is a cut of about 3 percent, far less than cuts faced by other state agencies.

The public education cuts will come largely from funds for new school buildings and a 50 percent cut to teacher-directed supply money, with additional reductions to be determined by local school boards. At the last minute, lawmakers found money to help pay for new school library books.

The WPU will remain at

\$2,577 despite no funding for new students. Districts must absorb those costs in other areas.

A major change is a shift from one-time to ongoing money. In the FY2011 budget, most one-time money, from the rainy day fund and stimulus money, was replaced with ongoing funds.

“The change from one-time to ongoing funding is a huge win for public education,” said UEA Government Relations Director Kory Holdaway. “Without this change we would have faced a major funding cliff in future years.”

Other Bills Of Note This Session

- **HJR3: Joint Resolution on Teacher Performance Pay.** (*Supported by UEA, Passed*). This bill establishes a framework to guide legislative action on performance pay proposals.
- **HB4: Current School Year Supplemental Minimum School Program Budget** (*Supported by UEA, Passed*). This bill appropriates supplemental funds to hold public education harmless for the current fiscal year (FY2010). It spared public education from significant cuts faced by other state agencies and departments.
- **HB246: Retirement Benefits for Charter School Employees** (*Supported by UEA, Passed*). This bill allows a charter school employee to purchase service credit within the Utah Retirement Systems equal to the period of the employee's employment in a charter school.
- **HB268: Public School Innovations** (*Opposed by UEA, Failed*). This bill would have allowed some schools to exempt themselves from certain laws, including orderly termination, and to unilaterally remove themselves from negotiated employment agreements.
- **HB295: Expanded Use of School District Property Tax Revenue and SB175: School District Capital Outlay Equalization Amendments** (*Supported by UEA, Passed*). These bills give school districts the flexibility to shift local capital fund revenues to fund general operations for two years. SB175 phases out Salt Lake County property tax equalization over five years.
- **SB16: Utah Performance Assessment System for Students Amendments** (*Supported by UEA, Passed*). This bill expands the use of adaptive online testing in place of CRTs for districts that choose to participate.
- **SB77: School District Leave Policies** (*Opposed by UEA, Failed*). This bill would have prohibited all paid association leave and required reimbursement certain unpaid leave. Parents for Choice and the Utah Taxpayers Association supported the bill. It ultimately failed in the House on a vote of 25-43. Those against the bill primarily argued association leave was an issue of local control, better left to elected school boards.
- **SB147: Education Related Parent Organizations** (*Opposed by UEA, Failed*). This bill would have barred the PTA from appointing a representative to the investment advisory committee for the investment of Land Grant Trust Fund money.
- **SB150: Reading Requirements for Student Advancement** (*Supported by UEA, Passed*). This bill requires a school district or charter school to provide notice to a parent of a student in grades 1-3 if the student is reading below grade level and requires a school district to provide appropriate reading remediation.
- **SB275: Removing Signature from Initiative and Referendum Petition** (*Opposed by UEA, Passed*). This bill makes it easier for a voter to have their name removed from an initiative or referendum petition. It will, in effect, make it much easier for opponents to nullify a successful initiative.

**SPEAK FOR
TOMORROW TODAY**



UtahsFuture.org

A campaign launched by UEA during the 2010 Legislative Session was designed to increase awareness about public education in Utah and encourage citizens to get involved. More than 1,500 letters were sent to legislators as a result of campaign efforts.

Retirement (continued from Page 1)

tion state employees currently receive.

For those working in education, here's what SB43 and SB63 will do:

Current Employees: No impact. Neither bill affects the retirement benefits of current employees.

Current Retirees: No impact. Neither bill affects pension payout, COLA increases or any other aspect of current retiree benefits.

Retirees Who Return to Employment: SB43 applies to anyone who retires from the Utah Retirement Systems after July 1, 2010, and returns to work with any entity participating in the URS. It requires a retired employee to wait one full year before returning to employment with a state agency. A teacher who retired would have two options upon being re-hired:

1. Stop receiving a pension payment and earn another 2 percent towards retirement payment and earn another 2 percent towards retirement per year upon ultimate retirement.
2. Receive a monthly pension payment after sitting out a full year before returning to work. There would be no replacement contribution to the employee's 401(k) as is currently the practice.

New Employees: SB63 applies to public employees hired after July 1, 2011. Upon hiring, new employees will elect one of two retirement benefit options:

1. **Defined Contribution:** 10 percent of the employee's salary will be placed in a 401(k)-type defined contribution plan for the employee.
2. **Hybrid Defined Contribution/Defined Benefit:** About 7.75 percent of the employee's salary will fund a defined benefit plan paying 1.5 percent of salary for each year of service based on a 5-year final average salary. Employees would be required to have 35 years in the system or reach age 65 to qualify. An additional 2.25 percent of salary (for a maximum total of 10 percent) would be contributed to a 401(k) plan. Under the hybrid option, if the required defined benefit funding rate exceeds 7.75 percent, additional funding first comes off the 2.25 percent 401(k) contribution. If the amount exceeds 10 percent of salary, the employee pays the difference.

Both plans would have a four-year vesting period, meaning the employee must work four years to get any benefit at all.



More than 4,000 gathered on Capitol Hill Feb. 6 to support a "proceed with caution" approach to retirement system changes. Due in large measure to input from teachers and other state employees, retirement measures passed by the 2010 Legislature do not impact current employees.

See more details at utea.org/politics