

Conference Committee Report

On June 15, the House and Senate Conference Committee released the Committee’s version of the FY05 budget. Public education spending levels for FY05 were very similar in the House and Senate versions of the budget. The major education issues that were dealt with were differences in specific provisions in the budget.

Since funding levels for many programs and provisions, such as the charter school moratorium, were identical in both the House and Senate budgets, they were not subject to discussion by the Conference Committee. Gov. Mitt Romney’s proposals eviscerating the public employee pension system as well as eroding public employee health insurance were not included in the Legislature’s version of the FY05 budget.

The House and Senate voted on the Conference Committee report on June 16. The budget now goes to Gov. Romney who has ten days to either sign or veto sections of the Legislature’s version of the FY05 budget.

Below is a chart that was sent to the Legislature with MTA’s recommendations and the Conference Committee’s decisions.

PreK-12

BUDGET ITEM	HOUSE APPROPRIATION/ LANGUAGE	SENATE APPROPRIATION/ LANGUAGE	MTA RECOMMENDATION	FINAL CONFERENCE COMMITTEE
Charter School Funding Formula Change	No language	Section 123 in the Senate Ways and Means budget.	Support Senate	Not in final budget (funding changes will be considered as part of moratorium)
Charter School Reimbursement 7061-9010	Fully funded at \$37.7 million	Under funded at \$13 million.	Support House	House version adopted.
Early Education and Care Reorganization	Sections 258–264; line item 7062-0000 (\$50,000)	Sections 35, 255-258; 356-357; line item 7062-0000.	Support House budget with changes.	Some changes proposed by MTA, including an early education teacher on the board (appointed by the Governor from 3 nominees by MTA/MFT)

Alternative Education Grant Program 7061-9614	\$1 million	No appropriation	Support House While the House and Senate contain the same language for this important program, only the House provides funding.	House version adopted.
Reserve for School Aid (Pot-Hole) 7061-0011	\$5 million	\$7 million	Support Senate	\$6.8 million (closer to Senate version).
Medicaid Reimbursement	Section 236	No language	Support House	No language.
Rights of Teachers in Educational Collaboratives	Section 235	New outside section, floor amendment #231.	Support Senate Provides all teachers in Education Collaboratives with the same due process rights as teachers in other public schools; House language would apply only to teachers hired beginning FY2007.	No language.
Professional Development—English Language Acquisition 7061-9404	No language or funding	Floor amendment #208. Earmarks \$1 million of MCAS remediation line item.	Support Senate	Senate earmarking included.
MCAS Remediation 7061-9404	\$15 million	\$14 million	Support House	\$14.1 million
Teacher Recruitment and Retention (C. 15A, Sec. 19B, 19C, 19E) 7010-0216	No appropriation	\$1,487,187	Support Senate Funds commitments already made to teachers in several recruitment/retention programs, including stipends to master teachers.	Senate version adopted.

EMPLOYEE BENEFITS

BUDGET ITEM	HOUSE APPROPRIATION/ LANGUAGE	SENATE APPROPRIATION/ LANGUAGE	MTA RECOMMENDATION	FINAL CONFERENCE COMMITTEE
Creditable Service Interest Charges	No provision	Floor Amendment #296. Increases creditable service interest charges for new employees from “regular interest” to one-half of the assumed interest return on pension investments. Currently, assumed rate is at 8.5 percent.	Support House New teachers with an 11 percent contribution are funding their own pensions. Increasing the interest on teachers for creditable service purchases discourages teacher recruitment and retention. Recommend this subject matter be studied by the proposed Pension Reform Commission.	Senate version adopted with a further amendment applying its provisions to current as well as new employees beginning July 1, 2005.
Spousal Pension Benefit	No provision	Section 242, SB2400. Restores recently repealed option for the public employee spouse who is married to a retired public employee to retire as if 55 years of age.	Support Senate Major constitutional “impairment of contract” problems result when the Legislature applied the repeal of this benefit to current members of the state’s retirement system. Repeal also contravenes the provisions of Chapter 32, Section 25 (5).	Senate version adopted.
State Retirement<i>Plus</i> Applications: Technical Correction	No provision	Floor Amendment #307. Reopens the Retirement <i>Plus</i> “window” for about 50 teachers who submitted applications to local officials, which, in turn, were not received by the MTRB prior to its deadline for receipt.	Support Senate	Senate version adopted.
Pension Reform Commission	Section 222, HB4601 Establishes a Pension Reform Study Commission	Floor Amendment #287. Adds two employee representatives to the Pension Reform Commission, one from MTA and the other from AFL-CIO.	Support Senate The number of gubernatorial appointees in the House version needs to be reduced.	Neither version included.

Health Insurance: Municipal Joint Purchasing for Metro-Boston Cities	Section 215, HB4601	Floor Amendment #666 (redraft). Same language as House but Senate adds that a city's withdrawal must occur during an open enrollment period.	Support Senate	Senate version adopted.
Pensions: Selection of up-to-date Mortality Table	No provision	Section 310	Support Senate Provides for a long, overdue corrective in the selection of an Option C retirement by updating 1928 mortality tables to determine spousal benefits.	Senate version adopted.
Municipal Health Insurance Task Force	No provision	Section 331, SB2400. Establishes a task force to review and make recommendations on municipal health insurance issues.	Support Senate	Nothing included.
Safe, Affordable Prescription Drugs	No provision	Floor Amendment #552. Requires the governor to request a federal waiver to allow for the reimportation of prescription drugs from Canada.	Support Senate	Subject to appropriation, a state website would be established for residents to obtain information on procuring prescription drugs at reduced prices.

NOTE: Senate recommendations relative to further studies on public employee pensions and municipal health insurance were not included in the Conference Committee Report. However, a study was included requiring the Public Employee Retirement Administration Commission (PERAC) to estimate by December 31, 2005 the cost impact of increasing to \$22,000 the base on which retiree COLAs are calculated. Finally, somewhat confusing language was included permitting the reinstatement of retired public employees to active status provided previously received retirement allowances are repaid with interest.

HIGHER EDUCATION

BUDGET ITEM	HOUSE APPROPRIATION/ LANGUAGE	SENATE APPROPRIATION/ LANGUAGE	MTA RECOMMENDATION	FINAL CONFERENCE COMMITTEE
State and Community College Health and Welfare Trust	\$3,855,250	\$4,382,445	Support Senate Reduces deficit of the trust.	Senate version adopted.

Support Earmark for Labor Studies in University Budget	\$125,000	\$250,000	Support Senate	Senate version adopted.
University of Massachusetts (includes operating and contracts)	\$419,100,648	\$422,230,807	Support Senate	Senate version adopted.
State colleges (includes operating and contracts)	\$179,123,514	\$180,388,897	Support Senate	Senate version adopted.