

Legislative Update

June 25, 2013

Bill Statistics

- 2013 Session
 - House Bills 3950 Introduced, 732 passed
 - Senate Bills 1918 Introduced, 705 passed
- 2011 Session
 - House Bills 3865 Introduced, 797 passed
 - Senate Bills 1931 introduced, 582 passed

83rd vs. 82nd

- Texas House had 43 freshmen
 - 95 Republicans
 - 55 Democrats
- Texas Senate had 6 freshmen
 - 19 Republicans
 - 12 Democrats

Landscape

- Water
- Transportation
- Education
- Truth in Budgeting
- School Choice

Leadership Priorities

- Politicians, strategists, and others were already eyeing the 2014 election cycle
- Gov. Perry announced he has not ruled out another run for governor or another presidential bid
- Lt./ Governor Dewhurst says he is running again
- Comptroller Combs is stepping down and not running for any office
- Staples, Patterson, Abbott, Patrick, etc.?

Eye on 2014 Election

- State budget highlights
 - State budget in 2014-15 \$103.8 billion
 - \$7.8 billion left on the RDF (11.8 billion end of 2015)
- School Finance
 - \$40.4 billion all funds for equalized funding
 - \$3.4 billion for funding formula
 - \$292 million for programs outside of the FSP
 - Growth included
 - Moves more districts to the formula
 - 30% short of restoring the 2011 reductions from the 2006 funding levels

Appropriations

School Finance

- Legislation sent to governor
 - State budget bill SB1 and supplemental funding bill HB1025
 - An increase of \$3.83 billion or 7.7%
 - 30% short of restoring the 2011 reductions from the 2006 funding levels
- \$330 Million dedicated to help pay employer TRS contribution starting September 1, 2014 (slide later to show implications)
- Most funding will flow through the Foundation School Program (FSP)
- The allocation includes some additional designated funds for Student Success Initiative and PK programs
- Legislators also took steps to ensure the \$1.785 billion FSP payment to schools for the current biennium would be distributed in August 2013 rather than September 2013

- Allows number of charters to increase incrementally to 305 by 2019
- Allows charters the first non-binding offer for any unused or underused facility
- Strengthens commissioner revocation options
- Allows a charter school to serve primarily students with disabilities
- Allows renewal for 10 years if requirements are met

Charter School Bill-SB 2

- Allows the board of trustees of a school district or the governing body of an open enrollment charter school to appoint not more than one school marshal per 400 students in average daily attendance per campus
- Provides that an applicant for a school marshal must be an employee of the school district or charter school

House Bill 1009- School Marshals

House Bill 5

Content Area	Current Recommended Plan 26 Credits	HB 5 Foundation Plan 22 Credits	Endorsements
English, Language Arts	Eng. I, II, III, IV (4 credits)	Eng. I, II, III plus 1 Adv. English (4 credits)	STEM
Mathematics	Alg. I, Geom., Alg. II, plus 1 (4 credits)	Alg. I., Geom., Adv. Math (3 credits)	
Science	Bio. Chem. Physics, plus 1 (4 credits)	Bio., advanced science, plus either IPC, or advanced science (3 credits)	Public Service
Social Studies	World. Geo., World. Hist., US Hist., Govt., Econ. (4 credits)	US Hist., Gov., Econ., and either World Geo. <u>OR</u> World Hist. (3 credits)	
World Languages	Same Language (2 credits)	Same Language or substitute 2 credits in computer programming (other exclusions) (2 credits)	Multidisciplinary
Fine Arts	Art, Music, Theatre, Dance (1 credit)	Same, Can be earned in a community based FA program (1 credit)	Arts and Humanities
PE	1 credit	1 credit	
Communications	1/2	REMOVED	Business and Industry
Electives	5 ½	5	

- Bill replaces the current high school *Minimum, Recommended and Advanced (Distinguished)* with a single 22 credit "Foundation"

- Endorsements
 - Examples of courses to be determined by SBOE
- “Distinguished Level of Performance”
 - Successful completion of a 4th math and science in addition to earning an endorsement
 - Mandatory to be eligible for top 10% designation for college admissions

House Bill 5

- End-of-Course Testing

- 15 to 5-Biology, US History, Algebra I, English I and II
- TEA to adopt “postsecondary readiness” exams in Algebra II and English III---optional for districts to administer.
- Eliminate cumulative scores for graduation purposes, commissioner to establish minimum scores on each exam.
- Allow certain exams (SAT, ACT, etc.) to substitute for EOC requirements.
- Prohibit the use of EOC results for class rankings and from being used as the sole criteria for college admissions.
- Remove the 15% requirement

House Bill 5

- Diploma Plan Transition
 - Move to the *Foundation* plan (plus optional endorsements) would be required for students in 8th grade in 2013-14.
 - For students in high school next year, the commissioner must implement rules to:
 - Require high school seniors to follow their current graduation plan (*Minimum, Recognized, or Distinguished*) unless they are not on track to graduate, then the new *Foundation* plan is an option, if it would allow them to graduate on time
 - Permit 2013-14 9th-11th graders to either stay on their current plan to graduate or follow beginning in 2014-15 the new *Foundation* plan.

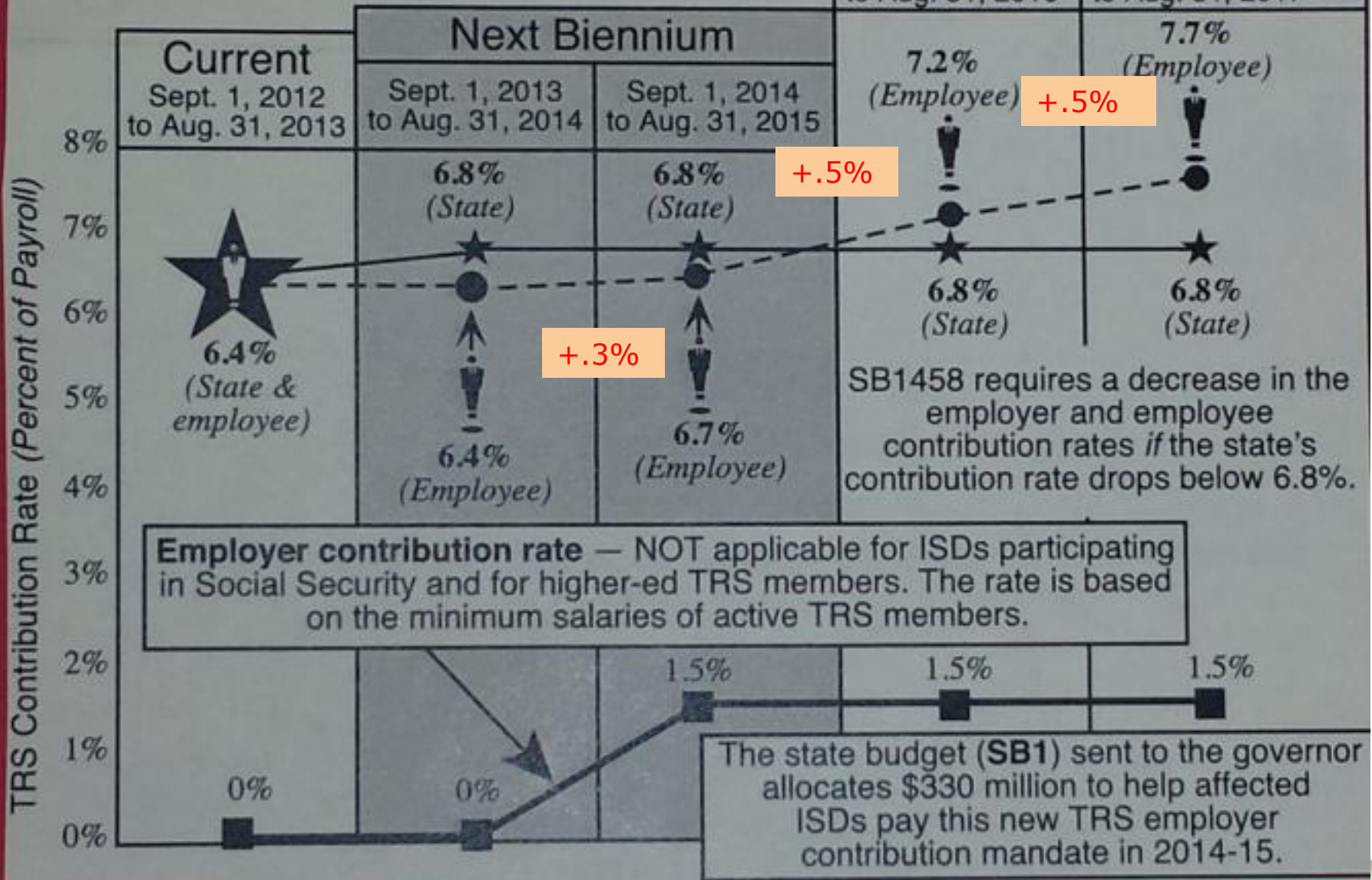
House Bill 5

- Goal to shore up the actuarial health of the pension fund
 - *The bill makes no changes (under a grandfather clause) to TRS members who accumulate at least 5 years of TRS service as of 9-1-2014*
 - For those not grandfathered:
 - Adjusts the minimum age of retirement from 60 to 62 if the members age and TRS service equals 80 or more
 - Provides for a 5% a year pension reduction for those choosing to retire prior to age 62
 - Several contribution changes (next slide)
 - 3% COLA for those members retiring prior to August 31, 2004. Not to exceed \$100.00 per month
 - Retiree Health Care access
 - Age 62 as the minimum age a retiree could qualify for unrestricted choices among health plans
 - A retiree under age 62 could only access the “bare-bones” catastrophic TRS Care I plan, but could move into other plans at age 62
 - Grandfather clause for the health care portion is:
 - By August 31, 2014—the member had either 25 years of service credit or met a “rule of 70”.
 - Repealed the provision that TRS must offer at least one TRS-Active Care plan (for school employees) that is comparable to the health plan offered state workers by the Employees Retirement System.

TRS

TRS Contribution Rate Changes (Percent of Payroll)

2016-17 Biennium



- 2013 Legislature did more than anyone thought they would in this session
(30% short of restoring the 2011 reductions from the 2006 funding levels)
 - Initial response after Judge Deitz decision
 - House and Senate started kicking in funds until they got to the 3.4 billion dollar number
 - In light of changes, Judge Deitz to re-open the record-January 2014 (set aside six weeks)
 - Steaming ahead could have led to an automatic reversal by the Texas Supreme Court
 - Include many experts (Moak, Casey, Wayne Pierce, Lisa Dawn Fischer)
 - Focusing on the changes, no new trial
 - Performance data will show where we are vs. where we want to be
 - Significant difference in the performance of low income students

School Finance Lawsuit