

Legislative Update

June 11, 2013

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

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

