

- SUBJECT:** Reimbursing public school teachers for classroom supplies
- COMMITTEE:** Public Education — committee substitute recommended
- VOTE:** 8 ayes — Grusendorf, Oliveira, Branch, Dawson, Eissler, Griggs, Hochberg, Madden
0 nays
1 absent — Dutton
- WITNESSES:** For — Cathy Douglass, Texas Association of School Boards; Brock Gregg, Association of Texas Professional Educators; Lonnie Hollingsworth, Texas Classroom Teachers Association; Diane Jackson, Spring Branch ISD; Ted Melina Raab, Texas Federation of Teachers and Houston Federation of Teachers; Gary Reeves, Texas Association of School Personnel Administrators; Karen Soehnge, Texas Association of School Administrators; Marjorie Wall, Texas State Teachers Association

Against — None
- BACKGROUND:** The Education Flexibility Partnership Act of 1999 (20 U.S.C. 5891a, *et seq.*) is a federal demonstration program for 12 states with specific accountability safeguards. The program allows eligible states to waive certain federal requirements that could impede local efforts to reform and improve education. The program's stated goal is to provide increased flexibility in implementing federal programs in exchange for enhanced accountability. Authority for Ed-Flex waivers in Texas expires March 21, 2006.

Under new Internal Revenue Service (IRS) rules beginning with the 2002 tax year, eligible educators can deduct up to \$250 per year of expenses paid for books and classroom supplies, without itemizing deductions. Eligible educators include K-12 teachers, instructors, counselors, principals, or aides in school for at least 900 hours during a school year. Qualified expenses include ordinary and necessary expenses for books, supplies, equipment (including computer hardware, software, and services), and other materials used in the classroom.

DIGEST: CSHB 1844 would direct the education commissioner to establish a program to reimburse classroom teachers who spent their personal funds on classroom supplies. A local school district would have to provide local matching funds to qualify for funding under the program.

The commissioner would have to adopt rules for local allocation of funds by August 1, 2005. A school district would have to allow a teacher to use reimbursed funds at his or her own discretion, as long as the funds were used for the benefit of the district's students. A school district could not use program funding to supplant local funds used for the same purpose.

The commissioner would have to establish the program in time to implement it no later than the 2005-06 school year. However, it could be implemented only if the Legislature specifically appropriated funds or if the commissioner identified available funds other than general revenue. The commissioner would have to identify state and federal funding for the program, including Ed-Flex funds and consolidated administrative funds.

The bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2003.

SUPPORTERS SAY: CSHB 1844 would provide state recognition that a classroom teacher spends hundreds of dollars out-of-pocket each year for classroom supplies. Most teachers spend an average of \$400 to \$500 per year of their own money for classroom supplies, double the average amount allocated to them by school districts for supplies. Teachers spend money on supplies such as books, computers and software, art supplies, small prizes and snacks to motivate students, and cleaning supplies. Copy expenses also are common, and some teachers even have invested in home copy machines, which then require paper and ink cartridges to keep them running.

The bill would give school districts another tool to help them recruit and retain qualified teachers. As financial pressure on districts grows, some may seek to cut corners on classroom supplies, leaving teachers to make up the difference. The proposed reimbursement program would allow districts to recognize and reward teachers who put forth extra personal effort to improve their students' classroom experience.

CSHB 1844 would supplement federal assistance for K-12 educators. Until recently, federal tax law only allowed teachers to deduct work-related expenses that exceeded 2 percent of their adjusted gross incomes, and then only if they filed itemized tax returns. Beginning with the 2002 tax year, eligible K-12 educators can deduct up to \$250 annually from their adjusted gross incomes without itemizing. The new federal rules provide the first “official” acknowledgment that teachers are expected to spend money out of their own pockets as part of their job. This bill would be a small way for the state to acknowledge that officially and show appreciation for teachers.

The bill would support the implementation of identical riders for the Texas Education Agency in the House and Senate versions of HB 1 (Rider 60 in the House, Rider 75 in the Senate) to establish a pilot program to reimburse teachers for out-of-pocket expenses for classroom materials.

**OPPONENTS
SAY:**

CSHB 1844 would not provide enough funding for teachers to justify the program’s administrative costs. The fiscal note’s estimate of \$7.4 million per year beginning in the 2005-06 school year is based on a benefit of \$25 per year per teacher. Not only is this a drop in the bucket toward teachers’ out-of-pocket expenses, it could be cost-prohibitive to administer a program for 290,000 classroom teachers for such a small individual benefit. It would seem illogical to create a new state program to give \$25 per year to each teacher when the federal government already provides an educator tax deduction for 10 times that amount.

The bill would require implementation of the program by the 2005-06 school year, after which the annual cost would be \$7.4 million. Unless the federal government extends the Ed-Flex demonstration project, using Ed-Flex funds for the program after the first school year could be a problem, since Ed-Flex authority in Texas expires in March 2006.

**OTHER
OPPONENTS
SAY:**

As with federal law, the state should reimburse other educators for out-of-pocket expenses. School counselors, principals, librarians, and teacher aides also spend their own money on classroom supplies. As funds become available, those educators should be eligible for reimbursement under this program too.

NOTES:

The committee substitute modified the bill as filed by adding a provision that would make implementation of the program contingent on available funds. The substitute also would move the required implementation date back to no later than the 2005-06 school year.

On April 30, the House adopted a floor amendment by Rep. Bohac on third reading of HB 5 by Grusendorf that would reimburse teachers for classroom supplies.

The Public Education Committee originally recommended that HB 1844 be sent to the Local and Consent Calendars Committee.

A similar bill during the 77th Legislature, HB 723 by S. Turner, was left pending in the House Public Education Committee.