

SUBJECT: Redefining a “school year” for TRS purposes

COMMITTEE: Pensions, Investments, and Financial Services — favorable, without amendment

VOTE: 9 ayes — Truitt, Anchia, C. Anderson, Creighton, Hernandez Luna, Legler, Nash, Orr, Veasey
0 nays

WITNESSES: For — None
Against — None
On — Ann Fickel, Texas Classroom Teacher Association; Brian Guthrie, Teacher Retirement System of Texas

BACKGROUND: Government Code, ch. 821 governs the Teacher Retirement System (TRS) of Texas. According to TRS Rule 25.131, to receive one year of membership service credit, a TRS member must work at least 90 days in a given school year.

A school year is defined as a 12-month period beginning approximately September 1 and ending approximately August 31 of the next calendar year, or for a member whose contract or agreement begins after June 30 and continues after August 31 of that year, a maximum 12-month period beginning on the date of the contract or agreement.

DIGEST: HB 2561 would define a school year solely as a 12-month period beginning September 1 and ending August 31 of the next calendar year.

The bill would take effect September 1, 2011, and would apply beginning with the 2012-2013 school year.

SUPPORTERS SAY: HB 2561 would provide a uniform school year for all teachers for TRS calculations of years of service, while preserving a teacher’s ability to retire in the middle of the school year and receive service credit for the entire school year. Currently, the school year varies from school district to school district, which is not conducive to an automated system and

requires a TRS staffer to calculate and verify each retiree's years of service manually.

The bill would not affect a teacher's ability to work the fall semester and retire in the spring because of TRS Rule 25.131. That rule states that beginning with the 2011-2012 school year, in the last school year of service before retirement, a member who worked or received paid leave for less than 90 days in the school year but worked or received paid leave for a full fall semester in accordance with the employer's calendar will receive a year of service credit.

**OPPONENTS
SAY:**

HB 2561 should be amended to begin a school year on August 1 to include all relevant days of service. The bill also should require TRS to ensure all employees have quick access to information regarding the number of days needed to complete the 90-day requirement.

NOTES:

The companion bill, SB 1670 by Duncan, was referred to the Senate State Affairs Committee on March 23.