

BILL ANALYSIS

Senate Research Center

S.B. 19
By: Nelson et al.
Finance
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Classroom Teacher State Career Bonus

- The first bonuses will be in September of 2018 (fiscal year (FY) 2019).
- \$193 million biennial package for state career bonuses for classroom teachers:
 - Classroom teachers with six to 10 years: \$600 bonus per teacher (\$45 million per year).
 - Classroom teachers with 11 or more years: \$1,000 bonus per teacher (\$148 million per year).

Pay raises—Begins FY 2020

- \$750 million biennial package for pay raises for classroom teachers:
 - Every district will receive \$1,000 for each teacher in their district to use for pay increases.
 - The board of trustees of each district will determine a pay raise structure that best meets their needs.

Teacher Retirement System (TRS) Care Support

- \$212 million appropriated to TRS for the benefit of TRS Care, for retired teachers.
- Funding to reduce costs for TRS participants for items such as premiums, deductibles, prescription drugs, and to assist with premiums and out-of-pocket costs for disabled adult dependents of retired teachers.

Managed Care Organization (MCO) Deferral

- S.B.19 directs a transfer of funding from the Health and Human Services Commission (HHSC) to the Texas Education Agency (\$193 million) and TRS (\$212 million).
- The intent is for HHSC to cover the cost of the transfer by deferring payments to MCOs scheduled to be paid in August 2019 (by the 10th business day) to the beginning of September 2019. MCOs will be made whole in September 2019.
- This approach will not result in reduced provider rates or a disruption to benefits and services for Medicaid members.
- This funding mechanism will provide a bridge until next session when a permanent funding source can be implemented.

As proposed, S.B. 19 amends current law relating to bonuses and salaries for public school classroom teachers and state assistance for the Texas Public School Employees Group Insurance Program.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the commissioner of education in SECTION 1 (Section 21.418, Education Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Subchapter I, Chapter 21, Education Code, by adding Sections 21.417 and 21.418, as follows:

Sec. 21.417. CLASSROOM TEACHER STATE CAREER BONUS. (a) Requires the Texas Education Agency (TEA), subject to the availability of amounts appropriated for purposes of this section, to provide an annual bonus to each classroom teacher (teacher) with at least six years of teaching experience at the beginning of the school year during which the bonus is provided.

(b) Requires that the amount of the bonus provided to each teacher during any school year be established by appropriation and authorizes the appropriation to provide for different bonus amounts during a school year based on the number of years of teaching experience.

(c) Provides that a bonus provided to a teacher under this section is not considered in determining whether a school district (district) is paying the teacher the minimum monthly salary under Section 21.402 (Minimum Salary Schedule for Certain Professional Staff).

(d) Requires TEA to provide a bonus under this section only to a person employed as a teacher at the time the bonus is paid.

Sec. 21.418. CLASSROOM TEACHER SALARY INCREASES. (a) Requires a district, from state funding designated specifically for purposes of this section, including a separate appropriation in the General Appropriations Act or a designation of revenue provided by the Texas Constitution, to spend an amount equal to the product of \$1,000 multiplied by the number of teachers employed by the district to increase salaries for teachers in a manner determined by the board of trustees to be beneficial to the district.

(b) Authorizes the commissioner of education to adopt rules necessary to implement this section, provided that the rules do not restrict the manner in which the amount described by Subsection (a) is used by a district to increase salaries for teachers.

SECTION 2. (a) Provides that the amount of \$193,000,000 of the unencumbered appropriations from the general revenue fund for the state fiscal biennium ending August 31, 2019, made by S.B. 1, Acts of the 85th Legislature, Regular Session, 2017 (the General Appropriations Act), to the Health and Human Services Commission (HHSC) is transferred to TEA to be used by TEA to provide the following bonuses to public school teachers under Section 21.417, Education Code, as added by this Act:

(1) a bonus of \$600 to be paid in September 2018 for each teacher with at least 6 but less than 11 years of teaching experience at the beginning of the 2018-2019 school year; and

(2) a bonus of \$1,000 to be paid in September 2018 for each teacher with at least 11 years of teaching experience at the beginning of the 2018-2019 school year.

(b) Requires HHSC to identify the strategies and objectives out of which the transfer under Subsection (a) is to be made.

SECTION 3. (a) Provides that the amount of \$212,000,000 of the unencumbered appropriations from the general revenue fund for the state fiscal biennium ending August 31, 2019, made by S.B. 1, Acts of the 85th Legislature, Regular Session, 2017 (the General Appropriations Act), to HHSC is transferred to the Teacher Retirement System of Texas (TRS) and may be used by TRS during that state fiscal biennium to provide support to participants in the Texas Public School Employees Group Insurance Program authorized by Chapter 1575 (Texas Public School Employees Group Benefits Program), Insurance Code. Requires HHSC to identify the strategies and objectives out of which the transfer is to be made.

(b) Authorizes TRS to use the money transferred under Subsection (a) to:

(1) reduce costs for participants, including premiums, deductibles, and prescription drugs, during the 2018 and 2019 plan years; and

(2) reduce the premium and maximum out-of-pocket cost for an enrolled adult child with a mental disability or a physical incapacity during the 2018 and 2019 plan years.

(c) Requires TRS to determine the most efficient allocation of the money transferred under Subsection (a) to achieve the maximum benefit for participants in the program.

SECTION 4. (a) Provides that Section 21.417, Education Code, as added by this Act, applies beginning with the 2018-2019 school year.

(b) Provides that Section 21.418, Education Code, as added by this Act, applies beginning with the 2019-2020 school year.

SECTION 5. Effective date: upon passage or on the 91st day after the last day of the legislative session.