

By: Hochberg, Grusendorf, et al.

H.B. No. 2445

Substitute the following for H.B. No. 2445:

By: Grusendorf

C.S.H.B. No. 2445

A BILL TO BE ENTITLED

AN ACT

1
2 relating to contributions by a school district and certain charter
3 schools to the Teacher Retirement System of Texas.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

5 SECTION 1. Section 825.405, Government Code, is amended by
6 amending Subsections (a), (c), (e), and (f) and adding Subsection
7 (a-1) to read as follows:

8 (a) In this section, "employer" means a school district or
9 an open-enrollment charter school that has been granted a charter
10 under Subchapter D, Chapter 12, Education Code.

11 (a-1) During each school year, an employer [~~For members~~
12 ~~entitled to the minimum salary for certain school personnel under~~
13 ~~Section 21.402, Education Code, and for members who would have been~~
14 ~~entitled to the minimum salary for certain school personnel under~~
15 ~~former Section 16.056, Education Code, as that section existed on~~
16 ~~January 1, 1995, the employing district] shall contribute to the
17 retirement system an amount equal to 0.57 percent of the aggregate
18 annual compensation of all members of the retirement system who are
19 employed by the employer during that school year [~~pay the state's~~
20 ~~contribution on the portion of the member's salary that exceeds the~~
21 ~~statutory minimum or former statutory minimum, as applicable].~~~~

22 (c) Monthly, employers shall:

23 (1) report to the retirement system in a form
24 prescribed by the system a certification of the total amount of

1 salary paid to members who are employed by the employer [~~above the~~
2 ~~statutory minimum salary~~] and the total amount of employer
3 contributions due under this section for the payroll period; and

4 (2) retain information, as determined by the
5 retirement system, sufficient to allow administration of this
6 section, including salary information for each member [~~employee~~
7 ~~showing the applicable minimum salary~~] as well as aggregate annual
8 compensation.

9 (e) After the end of each school year, the retirement system
10 shall certify to the commissioner of education:

11 (1) the names of any employers [~~employing districts~~]
12 that have failed to remit, within the period required by Section
13 825.408, all contributions required under this section for the
14 school year; and

15 (2) the amounts of the unpaid contributions.

16 (f) If the commissioner of education receives a
17 certification under Subsection (e), the commissioner shall direct
18 the comptroller of public accounts to withhold the amount
19 certified, plus interest computed at the rate and in the manner
20 provided by Section 825.408, from the first state money payable to
21 the employer [~~school district~~]. The amount withheld shall be
22 deposited to the credit of the appropriate accounts of the
23 retirement system.

24 SECTION 2. The heading to Section 825.405, Government Code,
25 is amended to read as follows:

26 Sec. 825.405. CONTRIBUTIONS BY SCHOOL DISTRICTS AND CERTAIN
27 CHARTER SCHOOLS [~~BASED ON COMPENSATION ABOVE STATUTORY MINIMUM~~].

1 SECTION 3. Sections 12.106(a) and (b), Education Code, are
2 amended to read as follows:

3 (a) Subject to Section 12.1061, a [A] charter holder is
4 entitled to receive for the open-enrollment charter school funding
5 under Chapter 42 as if the school were a school district without a
6 tier one local share for purposes of Section 42.253 and without any
7 local revenue ("LR") for purposes of Section 42.302. In
8 determining funding for an open-enrollment charter school,
9 adjustments under Sections 42.102, 42.103, 42.104, and 42.105 and
10 the district enrichment tax rate ("DTR") under Section 42.302 are
11 based on the average adjustment and average district enrichment tax
12 rate for the state.

13 (b) Subject to Section 12.1061, an [~~A~~] open-enrollment
14 charter school is entitled to funds that are available to school
15 districts from the agency or the commissioner in the form of grants
16 or other discretionary funding unless the statute authorizing the
17 funding explicitly provides that open-enrollment charter schools
18 are not entitled to the funding.

19 SECTION 4. Subchapter D, Chapter 12, Education Code, is
20 amended by adding Section 12.1061 to read as follows:

21 Sec. 12.1061. WITHHOLDING AND REMITTING CERTAIN REQUIRED
22 CONTRIBUTIONS. (a) In this section, "retirement system" means the
23 Teacher Retirement System of Texas.

24 (b) Except as provided by Subsection (e), the agency shall
25 withhold from the amount a charter holder is entitled to receive
26 under Section 12.106 an amount equal to the total of all
27 contributions that the charter holder is required to remit to the

1 retirement system under Sections 825.403 and 825.405, Government
2 Code, and Section 16, Article 3.50-4, Insurance Code. The agency
3 shall remit the amount withheld to the retirement system.

4 (c) Except as provided by Subsection (d), the agency shall
5 compute the amount to withhold under Subsection (b) based on
6 estimates by the agency of the number and salary of employees at
7 each charter holder. Each charter holder and the retirement system
8 shall provide any necessary information the agency requests to make
9 the computation. The agency shall adjust its computation when
10 necessary to reflect changes in salary, employee, and other
11 relevant information the agency receives from the retirement system
12 or a charter holder.

13 (d) In lieu of the agency's computation under Subsection
14 (c), the retirement system and a charter holder may agree in writing
15 to the amount or to a method for computing the amount that the
16 agency is required to withhold under Subsection (b). On receipt of
17 a written agreement under this subsection, the agency shall
18 withhold an amount in accordance with the agreement and remit the
19 amount to the retirement system.

20 (e) In lieu of the agency withholding and remitting amounts
21 under Subsection (b), the retirement system and a charter holder
22 may agree in writing to a separate procedure for remitting
23 contributions required under Sections 825.403 and 825.405,
24 Government Code, and Section 16, Article 3.50-4, Insurance Code.
25 On receipt of a written agreement under this subsection, the agency
26 shall suspend withholding and remitting the amount under Subsection
27 (b) that is applicable to the charter holder, and the charter holder

1 shall remit amounts as provided by the agreement.

2 (f) The retirement system may unilaterally cancel an
3 agreement with a charter holder under Subsection (d) or (e) by
4 giving written notice to the charter holder and the agency. After
5 receiving notice of the cancellation, the agency shall resume
6 computing the amounts to withhold or resume withholding and
7 remitting an amount, as applicable, as provided by this section.

8 (g) The retirement system shall establish rules for
9 administering this section, including procedures for refunding to a
10 charter holder an amount remitted to the retirement system that
11 exceeds the amount the charter holder is required to remit.

12 (h) The charter holder, the retirement system, and the
13 agency shall exchange any information needed to implement this
14 section.

15 SECTION 5. Section 825.405(b), Government Code, is
16 repealed.

17 SECTION 6. This Act applies beginning with the 2003-2004
18 school year.

19 SECTION 7. This Act takes effect immediately if it receives
20 a vote of two-thirds of all the members elected to each house, as
21 provided by Section 39, Article III, Texas Constitution. If this
22 Act does not receive the vote necessary for immediate effect, this
23 Act takes effect September 1, 2003.