

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION**

**April 1, 2003**

**TO:** Honorable Allan Ritter, Chair, House Committee on Pensions & Investments

**FROM:** John Keel, Director, Legislative Budget Board

**IN RE: HB2445** by Hochberg (Relating to contributions by a school district and certain charter schools to the Teacher Retirement System of Texas.), **Committee Report 1st House, Substituted**

<b>No significant fiscal implication to the State is anticipated.</b>
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The bill would change the method of calculating that portion of the State's contribution to the Teacher Retirement System (TRS) paid by school districts and open-enrollment charter schools. Currently, this amount is based on the amount of salaries paid above the statutory minimum salary. The bill would change this calculation to be based on a percentage of the aggregate annual compensation of school employees. The amount of contribution set by the bill would be 0.57 percent of the total compensation of all TRS members paid by a school district or open-enrollment charter school. In addition, the bill would require the Texas Education Agency to withhold state funds due an open-enrollment charter school based on the amount to be contributed by the school to TRS for the pension trust fund and the TRS-ActiveCare program. The funds withheld from payment to the open-enrollment charter schools would be remitted to TRS in lieu of payments from the charter schools for retirement and insurance programs.

According to the Teacher Retirement System, the 0.57 percent school district and charter school contribution is sufficient to offset amounts generated from the current statutory minimum revenue.

**Local Government Impact**

No significant fiscal implication to units of local government is anticipated.

**Source Agencies:** 304 Comptroller of Public Accounts, 323 Teacher Retirement System

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