

## **BILL ANALYSIS**

S.B. 1913  
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Pensions & Investments  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

Texas was significantly impacted the 2005 round of base realignment and closure (BRAC). At Fort Bliss, El Paso, for instance, current estimates place the total net population gain by 2011 at over 49,000 soldiers, military students, and family members, including over 10,000 school-age children. San Antonio will receive a substantial influx as well. These influxes will place a huge demand on the communities' school systems, particularly on the required number of teachers.

Currently, retired teachers are permitted to be rehired, but the employing school must pay the Teacher Retirement System of Texas (TRS) a surcharge of 12.4 percent of the teacher's salary. Additionally, each district that employs a retired teacher enrolled in the Texas Public School Employees Group Insurance Program is required to contribute to the fund the difference between the contribution amount and the full cost of the retiree's participation in the group program. These surcharges make the use of a substantial number of experienced, needed teachers more expensive than the use of other teachers.

As proposed, S.B. 1913 authorizes school districts impacted by BRAC to hire a retired teacher without having to pay either of the above surcharges. The bill limits these exemptions to a total of 500 rehired teachers statewide.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that rulemaking authority is expressly granted to the Board of Trustees of the Teacher Retirement system of Texas in SECTION 1 and SECTION 2 of this bill.

### **ANALYSIS**

SECTION 1. Amends Section 825.4092, Government Code, by amending Subsections (b) and (c) and adding Subsection (f), as follows:

(b) Requires an employer, except as provided by Subsection (f) and certain other law, to contribute to the retirement system for each retiree reported an amount as set forth in this subsection.

(c) Requires an employer, each payroll period, who reports the employment of a retiree enrolled in the Texas Public School Employees Group Insurance Program (enrolled retiree) under Chapter 1575 (Texas Public School Employees Group Benefits Program), Insurance Code, except as provided by Subsection (f) and certain other law, to contribute to the trust fund established under that chapter in the manner set forth in this subsection.

(f) Provides that the amounts required to be paid under Subsections (b) and (c) are not required to be paid by a school district that is required to expand classroom facilities to accommodate an increased number of students resulting from the United States Department of Defense (DOD) base realignment and closure process. Prohibits the total number of employed retirees subject to the exemption established by this subsection from exceeding 500. If necessary the board of trustees of the TRS is required to establish by rule a method to equitably allocate that number to each district described by this subsection. Provides that this subsection expires December 31, 2011.

SECTION 2. Amends Section 1575.204, Insurance Code, by adding Subsection (c) to provide that the amounts required to be paid under Subsection (b) (required to be paid to the retired school employees group insurance fund by employers employing enrolled retirees) are not required to be paid by a district that is required to expand classroom facilities to accommodate an increased number of students resulting from the DOD base realignment and closure process. Prohibits the total number of employed retirees subject to the exemption established by this subsection from exceeding 500. If necessary the board of trustees of the TRS is required to establish by rule a method to equitably allocate that number to each district described by this subsection. Provides that this subsection expires December 31, 2011.

SECTION 3. Effective date: September 1, 2007.

**EFFECTIVE DATE**

September 1, 2007.