

BILL ANALYSIS

H.B. 3221
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Pensions, Investments & Financial Services
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Current law requires public education employers to contribute a percentage of their employees' salaries to the Teacher Retirement System of Texas (TRS), with traditional school districts currently contributing up to two percent of an employee's statutory minimum salary. However, the bill author has informed the committee that open-enrollment charter schools are not subject to the minimum salary schedule and therefore contribute more to TRS for employees, paying two percent of an employee's full salary, than if such schools were treated like traditional school districts. The bill author has further informed the committee that this disparity is unfair and drains valuable dollars from classrooms while also requiring TRS to spend additional time and resources to process a separate calculation for public education employer contributions. H.B. 3221 seeks to create parity between public charter schools and traditional school districts regarding their employer contributions to TRS by ensuring the minimum salary schedule is used to calculate the contribution for all public schools, including public charter schools.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

H.B. 3221 amends the Government Code to include among the members of the Teacher Retirement System of Texas (TRS) for which an employer is required to contribute monthly to TRS a specified percentage of the member's statutory minimum salary, in addition to the required contributions based on compensation above the statutory minimum, a member who would be entitled to the minimum salary for certain school personnel if the member was employed by a public school district subject to the minimum salary schedule instead of being employed by the following:

- an open-enrollment charter school; or
- a district that has adopted a local innovation plan that exempts the district's employees from the minimum salary schedule.

The bill applies beginning with the 2025-2026 school year.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2025.