

## **BILL ANALYSIS**

C.S.H.B. 5627  
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Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

The bill author has informed the committee that Texas appropriates a significant amount of funding every biennium toward contributions for retirement of public education personnel but these contributions are not included in the state's spending on public education, resulting in a lack of transparency around the total amount of money the state spends on public education. In addition, the bill author has informed the committee that there is a disparity in TRS contribution requirements between types of employees and types of schools, as well as a need to ensure the actuarial soundness of TRS due to significant investment in public education and teacher pay by the 89th Legislature. C.S.H.B. 5627 seeks to study these concerns by creating the Texas Commission on Public School Teacher Retirement Funding Transparency to develop and make recommendations regarding incorporating state resources for teacher retirement benefits within the foundation school program, aligning staffing incentives with state priorities, and providing uniformity in resourcing retirement obligations to fund teacher retirement benefits.

### **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**

C.S.H.B. 5627 amends the Education Code to establish the Texas Commission on Public School Teacher Retirement Funding Transparency to develop and make recommendations regarding incorporating state resources for teacher retirement benefits within the foundation school program, aligning staffing incentives with state priorities, and providing uniformity in resourcing retirement obligations to fund teacher retirement benefits. The bill provides for the following with respect to the commission:

- the commission is composed of seven members, appointed as follows:
  - one member appointed by the governor, who must have an interest in staffing issues faced by public schools;
  - three members of the senate appointed by the lieutenant governor; and
  - three members of the house of representatives appointed by the speaker of the house;
- the governor must designate the commission's presiding officer; and
- a commission member is not entitled to compensation for service on the commission but is entitled to reimbursement for actual and necessary expenses incurred in performing commission duties.

C.S.H.B. 5627 requires the following in relation to support for the commission:

- the Texas Education Agency (TEA) to provide administrative support; and
- the Teacher Retirement System of Texas (TRS) and the office of the comptroller of public accounts to provide additional support required by the commission.

The bill establishes that funding for the administrative and operational expenses of the commission shall be provided by legislative appropriation made to TEA for that purpose.

C.S.H.B. 5627 requires the commission to develop recommendations regarding the following:

- incorporating current and future appropriations that constitute state contributions for retirement of public education personnel into the foundation school program as part of the basic allotment or another formula mechanism;
- reviewing state and employer contribution requirements to ensure the following:
  - staffing incentives prioritize classroom instruction; and
  - retirement obligations between public schools are uniform; and
- establishing employer contribution requirements sufficient to ensure the actuarial soundness of TRS for the foreseeable future;

The bill authorizes the commission to establish one or more working groups composed of not more than three commission members to study, discuss, and address specific policy issues and recommendations to refer to the commission for consideration.

C.S.H.B. 5627 requires the commission to prepare and deliver a report to the governor and the legislature not later than December 31, 2026, that recommends statutory changes to implement recommendations developed under the bill's provisions. The bill authorizes the commission to hold public meetings as needed to fulfill its duties under the bill's provisions, exempts the commission from state open meetings law, and subjects the commission to state public information law.

C.S.H.B. 5627 establishes that the commission is abolished and the bill's provisions expire January 1, 2027.

#### **EFFECTIVE DATE**

September 1, 2025.

#### **COMPARISON OF INTRODUCED AND SUBSTITUTE**

C.S.H.B. 5627 differs from the introduced in minor or nonsubstantive ways by conforming to certain bill drafting conventions.