

Issue Docket

Conference Committee on Senate Bill 1

2014-15 General Appropriations Bill

Article III - Public Education

As of May 16, 2013

Per the Final Directives to the LBB Staff for the Appropriations Bill during Production, adopted by the Senate Bill 1 conference committee on May 17, 2013, this docket has been edited to make adjustments to items in order to conform them to final committee decisions.

**ARTICLE III - AGENCIES OF EDUCATION
ISSUE DOCKET**

Conference Committee on General Appropriations Bill

Agency/Item	<u>Senate</u>		<u>House</u>		Biennial Difference	Explanation
	2014	2015	2014	2015		
<u>TEXAS EDUCATION AGENCY</u>		III-1		III-1		
Schedule of Exempt Positions Commissioner of Education, Group 8	215,000	215,000	186,300	186,300		Senate includes Commissioner of Education salary cap of \$215,000 per fiscal year. House includes Commissioner of Education salary cap of \$186,300 per fiscal year.
Appropriations Made in Riders	\$ 18,000,000	\$ 18,000,000	\$ -	\$ -	\$ 36,000,000	a. Senate includes \$34,000,000 in General Revenue for contingency for Senate Bill 3, funding for Career Explorations in Middle Grades (See also Senate Rider #69, III-19, Rider Packet III-11). b. Senate includes \$2,000,000 in General Revenue funding for contingency for Senate Bill 2, Charter School Authorization (See also Senate Rider #70, III-19, Rider Packet III-11).

Agency/Item	Senate		House		Biennial Difference	Explanation
	2014	2015	2014	2015		
A.1.1 FSP - EQUALIZED OPERATIONS	\$ 18,664,300,000	\$ 19,511,300,000	\$ 19,185,300,000	\$ 20,115,300,000	\$ 1,125,000,000	Senate adds \$1,375.0 million to correspond with a basic allotment of \$4,799 in FY2014 and \$4,874 in FY2015 and continued hold harmless reduction (See also Senate Rider #3, III-5, Rider Packet III-1).
and	\$ 477,685,710	\$ 258,388,835				
	\$ 19,141,985,710	\$ 19,769,688,835				
Article IX.17.15. Texas Education Agency: Additional Funding for the Foundation School Program						House adds \$2,500.0 million (\$1,500 million in TEA Strategy A.1.1, FSP - Equalized Operations and \$1,000 million in Article IX.17.15) to correspond with a basic allotment of \$4,890 in FY2014 and \$4,975 in FY2015 and continued hold harmless reduction (See also House Rider #3, III-5, Rider Packet III-1 and House, Article IX.17.15, IX-69).
A.1.2 FSP - Equalized Facilities	\$ 659,300,000	\$ 656,600,000	\$ 659,300,000	\$ 656,600,000		
	\$ (1,444,226)	\$ (46,149,326)				
	\$ 657,855,774	\$ 610,450,674				
	SENATE plus \$688.5 million All Funds (\$471.1 million General Revenue Funds)					
	Provides for a basic allotment of \$4,931 in FY2014 and \$5,022 in FY2015 and continued hold harmless reduction through FY2015.					
	TEA Rider 3, as Amended					

Agency/Item	Senate		House		Biennial Difference	Explanation
	2014	2015	2014	2015		
A.2.1 STATEWIDE EDUCATIONAL PROGRAMS	\$ 172,814,958	\$ 172,816,548	\$ 137,464,958	\$ 137,466,548	\$ 70,700,000	a. Senate includes \$50,500,000 in General Revenue for Student Success Initiative (See also Senate Rider #50, III-16, Rider Packet III-7). House includes \$36,500,000 in General Revenue for Student Success Initiative (See also House Rider #49, III-16, Rider Packet III-7).
	Senate Less \$5,000,000 in each fiscal year.					b. Senate includes \$40,000,000 in General Revenue for Supplemental Funding for Prekindergarten (See also Senate Rider #67, III-19, Rider Packet III-10).
	Increase Senate by \$1,250,000 in each fiscal year					c. Senate includes \$13,800,000 in General Revenue for Texas Advanced Placement Initiative (See also Senate Rider #54, III-17, Rider Packet III-8). House includes \$18,800,000 in General Revenue for Texas Advanced Placement Initiative (See also House Rider #52, III-17, Rider Packet III-8).

Agency/Item	Senate		House		Biennial Difference	Explanation
	2014	2015	2014	2015		
	Decrease Senate by \$5,000,000 in each fiscal year					<p>d. Senate includes \$28,000,000 in General Revenue for Project Share (See also Senate Rider #71, III-19, Rider Packet III-12).</p> <p>House includes \$8,000,000 in General Revenue for Project Share (See also House Rider #67, III-19, Rider Packet III-12).</p>
	Decrease Senate by \$500,000 each fiscal year					<p>e. Senate includes \$2,000,000 in Interagency Contracts for Early Childhood Professional Development (See also Senate Rider #26, Texas Workforce Commission, VII-38).</p> <p>House includes \$300,000 in Interagency Contracts for Early Childhood Professional Development (See also House Rider #26, Texas Workforce Commission, VII-38).</p>

Agency/Item	Senate		House		Biennial Difference	Explanation
	2014	2015	2014	2015		
A.2.4 SCHOOL IMPROVEMENT & SUPPORT PGMS	\$ 153,570,317	\$ 153,570,318	\$ 154,635,726	\$ 154,635,726	\$ 2,130,817	Senate includes \$29,978,223 in General Revenue for Communities in Schools (See also Senate Rider #24, III-10, Rider Packet III-2). House includes \$32,109,040 in General Revenue for Communities in Schools (See also House Rider #23, III-10, Rider Packet III-2).
	Senate plus \$532,704 in each fiscal year					
A.2.5 ADULT EDUCATION & FAMILY LITERACY	\$ 68,342,889	\$ 68,342,889	\$ 70,842,889	\$ 70,842,889	\$ 5,000,000	Senate includes \$18,771,400 in General Revenue for Adult Basic Education (See also Senate Rider #35, III-12, Rider Packet III-2). House includes \$23,771,400 in General Revenue for Adult Basic Education (See also House Rider #34, III-12, Rider Packet III-2).
B.1.1 ASSESSMENT & ACCOUNTABILITY SYSTEM	\$ 82,635,644	\$ 82,635,643	\$ 45,931,837	\$ 45,931,837	\$ 73,407,613	Senate includes \$98,407,613 in General Revenue for assessments. House includes \$25,000,000 in General Revenue for assessments.
	Senate plus Contingency Rider					

Agency/Item	Senate		House		Biennial Difference	Explanation
	2014	2015	2014	2015		
B.2.2 HEALTH AND SAFETY	\$ 14,001,583	\$ 13,804,802	\$ 13,351,583	\$ 13,154,802	\$ 1,300,000	Senate includes \$1,300,000 in General Revenue for the Steroid Testing Program (See also Senate Rider #53, III-16, Rider Packet III-8).
	Senate less \$300,000					
B.2.4 WINDHAM SCHOOL DISTRICT	\$ 47,500,000	\$ 47,500,000	\$ 52,500,000	\$ 50,500,000	\$ 8,000,000	Senate includes \$95,000,000 in General Revenue for the Windham School District. House includes \$103,000,000 in General Revenue for the Windham School District.
B.3.1 IMPROVING EDUCATOR QUALITY/LDRSP	\$ 281,873,320	\$ 281,873,320	\$ 282,123,320	\$ 282,123,320	\$ 500,000	a. Senate includes \$1,500,000 in General Revenue for professional development for educators serving students with autism (See also Senate Rider #68, III-19, Rider Packet III-10).
	Senate plus Amended Rider					

Agency/Item	Senate		House		Biennial Difference	Explanation
	2014	2015	2014	2015		
						b. Senate includes \$10,000,000 in General Revenue for Teach for America (See also Senate Rider #49, III-16, Rider Packet III-7). House includes \$12,000,000 in General Revenue for Teach for America (See also Senate Rider #48, III-16, Rider Packet III-7).
B.3.2 AGENCY OPERATIONS	\$ 65,275,238	\$ 65,275,238	\$ 65,260,238	\$ 65,260,238	\$ 30,000	Senate includes \$30,455,818 in General Revenue for Agency Operations. House includes \$30,425,818 in General Revenue for Agency Operations.
B.3.5 INFORMATION SYSTEMS - TECHNOLOGY	\$ 35,248,817	\$ 33,291,029	\$ 33,620,864	\$ 32,263,073	\$ 2,655,909	Senate includes \$15,097,442 in All Funds, including \$8,349,723 in General Revenue related funds for the Texas Student Data System capital project. House includes \$12,441,533 in All Funds, including \$7,000,000 in General Revenue related funds for the Texas Student Data System capital project.

Agency/Item	Senate		House		Biennial Difference	Explanation
	2014	2015	2014	2015		
Performance Measure: Permanent School Fund (PSF) Investment Expense as Basis Points of Net Assets			Efficiency Measure, Strategy B.3.2, Agency Operations Page III-5 House with target of 12 in each fiscal year			House includes new performance measure <i>Permanent School Fund (PSF) Investment Expense as Basis Points of Net Assets</i> with a target of 5 in each fiscal year.
Funding for Regional Education Service Centers	Rider 38 III-13 Rider Packet, page III-4		Rider 37 III-13 Rider Packet, page III-4			House includes a requirement that each Regional Education Service Center shall report to the Commissioner biennially versus annually in the Senate rider.

Agency/Item	Senate		House		Biennial Difference	Explanation
	2014	2015	2014	2015		
Use of Federal Discretionary and Consolidated Administrative Funds	Rider 41 III-14 Rider Packet, page III-5		Rider 40 III-14 Rider Packet, page III-5			<p>Senate includes authorization to use discretionary and consolidated administrative funds for state assessments; providing classroom support including teacher quality initiatives; professional development related to the TEKS; diagnostics, interventions, and targeted support to students needing supplemental remediation.</p> <p>House includes authorization to use discretionary and consolidated administrative funds for teacher mentoring; recruitment and retention; and the Student Success Initiative.</p>

Agency/Item	Senate		House		Biennial Difference	Explanation
	2014	2015	2014	2015		
Early Childhood School Readiness Program	Rider 48 III-15 Rider Packet, page III-5		Rider 47 III-15 Rider Packet, page III-5			Senate includes requirement that funds shall be distributed on a competitive basis to preschool programs that implement school readiness integration community collaborations. Senate authorizes the Commissioner of Education to require applicants to participate in the School Readiness Certification System.
			AS AMENDED			House includes requirement that funds shall be distributed on a competitive basis to preschool programs improving overall kindergarten readiness.
Student Success Initiative	Rider 50 III-16 Rider Packet, page III-7		Rider 49 III-16 Rider Packet, page III-7			House requires a program funded through the Student Success Initiative shall include outreach to educate a parent or guardian of a student on preparing the student for administration of an assessment instrument, and requires this information to be available in Spanish. House requires the Texas Education Agency to conduct an evaluation of the Student Success Initiative.
			AS AMENDED			

Agency/Item	Senate		House		Biennial Difference	Explanation
	2014	2015	2014	2015		
Steroid Testing	Rider 53 III-16 Rider Packet, page III-8					Senate rider directs \$1.3 million in General Revenue for steroid testing to correspond with funding decision in Strategy B.2.2, Health and Safety.
Texas Advanced Placement Initiative	Rider 54 III-17 Rider Packet, page III-8		Rider 52 III-17 Rider Packet, page III-8			Senate requires TEA to give funding priority in the Texas Advanced Placement Initiative to teachers at public school campuses that do not offer Advanced Placement/International Baccalaureate courses. Senate authorizes the TEA to consider school districts and charter schools in the first or second year of operating an Advanced Placement/International Baccalaureate program. House requires TEA to allocate no less than the amount expended in the 2010-11 biennium for teacher training in the 2014-15 biennium.
Temporary Transfer from the Foundation School Program to the Instructional Materials Fund			Rider 65 III-19 Rider Packet, page III-9			House authorizes TEA to temporarily transfer funds from the Foundation School Program to the Instructional Materials Fund for cash flow purposes.

Agency/Item	Senate		House		Biennial Difference	Explanation
	2014	2015	2014	2015		
Special Education Related Reporting			Rider 66 III-19 Rider Packet, page III-9 AS AMENDED			House requires TEA to conduct an external review of all accountability, monitoring, and compliance systems related to special education.
Contingency for SB ____.		Rider 66 III-19 Rider Packet, page III-10				Senate reduces funding to Strategy B.1.1, Assessments and Accountability contingent on legislation reducing the number of assessments required under the Education Code.
Supplemental Funding for Prekindergarten		Rider 67 III-19 Rider Packet, page III-10				Senate directs \$40 million in General Revenue for supplemental funding for prekindergarten to correspond with funding decision referenced in Strategy A.2.1, Statewide Educational Programs.
Autism Training		Rider 68 III-19 Rider Packet, page III-10 AS AMENDED				Senate directs \$1.5 million in General Revenue for autism training to correspond with funding decision referenced in Strategy A.2.1, Statewide Educational Programs.

Agency/Item	Senate		House		Biennial Difference	Explanation
	2014	2015	2014	2015		
Texas Fitness Now Grant Program Study			Rider 68 III-19 Rider Packet, page III-11			House indicates that it is the intent of the Legislature that TEA shall provide Texas FitnessGram data to a researcher evaluating student health outcomes.
Student Testing Program Outreach			Rider 69 III-19 Rider Packet, page III-11			House requires TEA to provide outreach efforts to educate a parent or guardian of a student on preparing the student for the administration of assessment instruments. House requires this information to be made available in Spanish.
Contingency for Senate Bill 3	Rider 69 III-19 Rider Packet, page III-11					Senate directs \$34 million from Foundation School Fund (General Revenue) for career explorations in middle grades, contingent on Senate Bill 3, to correspond with funding decision referenced in Strategy A.1.1, FSP - Equalized Operations.

Agency/Item	Senate		House		Biennial Difference	Explanation
	2014	2015	2014	2015		
Contingency for Senate Bill 2						Senate directs \$2 million in General Revenue for charter school authorization to correspond with funding decision referenced in Strategy A.2.4, School Improvement and Support.
Use of Appropriated Funds for School Vouchers or to Support-Tax Credit Scholarships Prohibited						House prohibits funds appropriated to TEA from being used to pay for or support school vouchers or scholarships for private primary or secondary education provided by nonprofit entities using donations received from entities that receive tax credits as a result of donations.
Workgroup Rider and Program Additions						
Contingency for SB 1458: Transition Aid for Employer Contributions to TRS	\$ -	\$ 330,000,000				Provide funding to public schools on a per ADA basis as temporary transition funding in the first year of implementation of an employer contribution to TRS on behalf of public education employees, pursuant to the provisions of SB 1458.
		Add Rider				

Agency/Item	Senate		House		Biennial Difference	Explanation
	2014	2015	2014	2015		
Southern Regional Education Board					ADOPT	Include rider requiring TEA to allocate funds for the purpose of paying membership fees to the Southern Regional Education Board, estimated to be \$193,000 per fiscal year, out of previously appropriated funds.
FitnessGram Program					Add \$5,000,000 in General Revenue for the 2014-15 biennium ADOPT	Workgroup adds a rider which allocates \$5.0 million for the 2014-15 biennium in General Revenue funding for the purpose of administering the FitnessGram Program.
Online College and Career Preparation Technical Assistance Program					Decrease General Revenue Funds by \$3,000,000 for the 2014-15 biennium ADOPT	Workgroup reduces funding to \$1,000,000 for the 2014-15 biennium and amends Rider 56 to include career preparation and to authorize the use of funds for a public-private partnership for administration of the program.

Agency/Item	Senate		House		Biennial Difference	Explanation
	2014	2015	2014	2015		
Reasoning Mind					Add \$4,500,000 in General Revenue Funds for the 2014-15 biennium ADOPT	Workgroup increases funding for the Reasoning Mind program for a total of \$9 million for the 2014-15 biennium.
Contingency for Senate Bill 1718					Add \$500,000 in General Revenue Funds for the 2014-15 biennium contingent on enactment of SB 1718 and rider ADOPT	Workgroup adds \$500,000 for the 2014-15 biennium and adds a rider making the funds contingent on enactment of SB 1718.
Contingency Appropriation: Credits Against the Cost of Recapture					Add \$1,517,156 in General Revenue Funds for the 2014-15 biennium contingent on certain school district actions and rider ADOPT	Workgroup adds \$1.5 million for the 2014-15 biennium and adds rider allocating the funding to fund credits against recapture payments owed by school districts meeting certain criteria, contingent on payment in full of payments owed for fiscal year 2013.

Agency/Item	<u>Senate</u>		<u>House</u>		Biennial Difference	Explanation
	2014	2015	2014	2015		
Houston ISD and North Forest ISD Consolidation	See also Article XI-Senate page XI-3		See also Article XI-House page XI-5		ADOPT	Workgroup adds rider expressing legislative intent regarding the consolidation of Houston ISD and North Forest ISD.

Texas Education Agency
Proposed Rider
Foundation School Program

Prepared by LBB Staff, 05/14/2013

Overview

Modify Texas Education Agency, Rider 3, to reflect funding elements corresponding with the funding decision for the Foundation School Program.

Required Action

In the Texas Education Agency bill pattern, Senate Bill 1, 83rd Legislature, Regular Session, amend Rider 3 as follows:

3. Foundation School Program Funding. Out of the funds appropriated above, a total of ~~\$19,340,740,000~~ \$19,816,977,000 in fiscal year 2014 and ~~\$20,185,040,000~~ \$20,397,275,000 in fiscal year 2015 shall represent the sum-certain appropriation to the Foundation School Program. The total appropriation may not exceed the sum-certain amount. This appropriation includes allocations under Chapters 41, 42 and 46 of the Texas Education Code.

Formula Funding: The Commissioner shall make allocations to local school districts under Chapters 41, 42 and 46 based on the March 2013 estimates of average daily attendance and local district tax rates as determined by the Legislative Budget Board and the final tax year 2012 property values. Property values, and the estimates of local tax collections on which they are based, shall be increased by ~~2.22~~ 4.77 percent for tax year 2013 and by ~~1.85~~ 4.03 percent for tax year 2014.

For purposes of distributing the Foundation School Program basic tier state aid appropriated above and in accordance with §42.101 of the Texas Education Code, the Basic Allotment is established at ~~\$4,765~~ \$4,931 in fiscal year 2014 and ~~\$4,765~~ \$5,022 in fiscal year 2015.

For purposes of distributing the Foundation School Program enrichment tier state aid appropriated above and in accordance with §41.002(a)(2) and §42.302(a-1)(1) of the Texas Education Code, the Guaranteed Yield is \$59.97 in fiscal year 2014 and ~~\$59.97~~ \$61.86 in fiscal year 2015.

For purposes of distributing the Foundation School Program state aid appropriated above and in accordance with § 42.101(c-3) of the Texas Education Code, the Regular Program Adjustment Factor for fiscal years 2014 and 2015 is ~~0.98~~ 1.00.

For purposes of distributing the Foundation School Program Additional State Aid for Tax Reduction appropriated above and in accordance with § 42.2516(i), the percentage applied for purposes of §§ 42.2516(b)(1), 42.2516(b)(2), and 42.2516(d)(1) is ~~92.35~~ 92.63 percent for the 2013-14 and 2014-15 school years.

Out of amounts appropriated above and allocated by this rider to the Foundation School Program, no funds are appropriated for the New Instructional Facilities Allotment under §42.158 of the Texas Education Code.

Notwithstanding any other provision of this Act, the Texas Education Agency may make transfers as appropriate between Strategy A.1.1, FSP-Equalized Operations, and Strategy A.1.2, FSP-Equalized Facilities. The TEA shall notify the Legislative Budget Board and the Governor of any such transfers at least 15 days prior to the transfer.

The Texas Education Agency shall submit reports on the prior month's expenditures on programs described by this rider no later than the 20th day of each month to the Legislative Budget Board and the Governor's Office in a format determined by the Legislative Budget Board in cooperation with the agency.

By: _____

**Texas Education Agency
Proposed Funding and Rider
Contingency for House Bill 5**

Prepared by LBB Staff, 05/14/2013

Overview

Include a rider contingent on the passage of House Bill 5, appropriating an additional \$4.8 million in General Revenue funds, or a lesser amount to the Texas Education Agency to fund the required assessments. The rider would appropriate \$22.1 million to TEA contingent on the failure to enact House Bill 5.

Required Action

On page III-22 of the Texas Education Agency bill pattern, Senate Bill 1, Engrossed, add the following rider:

_____.**Contingency for House Bill 5.** Contingent on enactment of House Bill 5, or similar legislation relating to public school accountability, including assessments, by the Eighty-third Legislature, Regular Session, in addition to amounts appropriated above, the Texas Education Agency (TEA) is appropriated \$2,419,209 in each fiscal year to Strategy B.1.1, Assessments and Accountability, from the General Revenue Fund to fund required assessments. If a lesser amount is required to fully fund the assessments required under the provisions of the bill, TEA shall lapse the amount not required to fund the assessments.

Contingent on the failure to enact House Bill 5, or similar legislation relating to public school accountability, including assessments, which reduces the number of required assessments, in addition to amounts appropriated above, the Texas Education Agency is hereby appropriated \$10,016,026 in fiscal year 2014 and \$12,122,392 in fiscal year 2015 to Strategy B.1.1, Assessments and Accountability, from the General Revenue Fund to fund the required assessments.

Texas Education Agency
Proposed Funding and Rider
Autism Training

Prepared by LBB Staff, 05/14/2013

Overview

The following action would direct the Texas Education Agency to enter into a memorandum of understanding with Texas Tech University for the purpose of collaborating with the Region 13 Education Service Center and Texas Tech University for the development of professional development for educators working with students with autism. Funding in the amount of \$1.5 million for the 2014-15 biennium in General Revenue appropriated to the Texas Education Agency is designated for this purpose.

Required Action

On page III-22 of the Texas Education Agency bill pattern, Senate Bill 1, Engrossed, add the following rider:

_____. **Autism Training.** From amounts appropriated above in Strategy B.3.1, Improving Educator Quality/Leadership, an amount not to exceed \$1,500,000 in General Revenue Funds for the 2014-15 biennium is appropriated to fund the development of professional development for educators working with students with autism. The Texas Education Agency shall enter into a memorandum of understanding with Texas Tech University for the purpose of collaboration with the Region 13 Education Center and Texas Tech University to develop professional development for educators working with students with autism.

Texas Education Agency
Proposed Funding and Rider
Early Childhood School Readiness Program

Prepared by LBB Staff, 05/15/2013

Overview

Modify rider 47, Early Childhood School Readiness Program in the Texas Education Agency bill pattern in Senate Bill 1, As Passed Second House related to improving overall kindergarten readiness through the Early Childhood School Readiness Program.

Required Action

On page III-15 of the Texas Education Agency bill pattern, Senate Bill 1, As Passed Second House, modify the following rider:

47. Early Childhood School Readiness Program. Out of funds appropriated above in Strategy A.2.1, Statewide Educational Programs, \$3,500,000 in fiscal year 2014 and \$3,500,000 in fiscal year 2015 shall be used for the Early Childhood School Readiness Program, for programs providing an educational component to public prekindergarten, Head Start, university early childhood programs, or private non-profit early childhood care programs that have entered into an integrated program with a public school. The Texas Education Agency shall expend these funds in accordance with the provisions of Texas Education Code § 29.156, Grants for Educational Components of Head Start, and with the following provisions:

- a. Funds shall be distributed on a competitive grant basis to preschool programs to provide scientific, research-based pre-reading instruction with the goal of directly improving the pre-reading skills of three- and four-year-old children ~~or~~ and improving overall kindergarten readiness. To be eligible for the grants, applicants must serve at least 75 percent low income students, as determined by the Commissioner. It is the intent of the Legislature that the Texas Education Agency participate to the extent practicable in interagency early childhood education and care coordination initiatives. This includes, but is not limited to, participation in the Head Start collaboration project or any other interagency entity formed to address the coordination of early childhood care and education service delivery and funding.
- b. In the expenditure of funds referenced above, the Texas Education Agency or any entity with which the Texas Education Agency contracts for purposes of administering programs under this rider shall comply with contract management requirements pursuant to Texas Government Code, Chapter 2262.
- c. The Texas Education Agency or any entity with which the Texas Education Agency contracts for purposes of administering programs under this rider shall submit a report to the Governor, the Lieutenant Governor, the Speaker of the House, the Legislative Budget Board, and the presiding officers of the standing committees of the Legislature with primary jurisdiction over public education not later than December 1 of each year providing detailed information on the expenditure of state funds in the prior fiscal year for purposes of programs administered under this rider.

Any unexpended balances as of August 31, 2014 are hereby appropriated to fiscal year 2015 for the same purpose.

Texas Education Agency
Proposed Funding and Rider
Student Success Initiative

Prepared by LBB Staff, 05/14/2013

Overview

Modify the House version of the Student Success Initiative rider to provide funding of \$50.5 million for the 2014-15 biennium and to remove the requirement that the program shall include outreach to parents and limit the amount of the study to \$250,000 in the 2014-15 biennium.

Required Action

On page III-22 of the Texas Education Agency bill pattern, Senate Bill 1, as passed 2nd House, add the following rider:

 . **Student Success Initiative.** Out of the funds appropriated above in Strategy A.2.1, Statewide Educational Programs, the Commissioner shall expend ~~\$18,250,000~~ \$25,250,000 in General Revenue in fiscal year 2014 and ~~\$18,250,000~~ \$25,250,000 in General Revenue in fiscal year 2015 for the Student Success Initiative. Funds shall be distributed to school districts to fund programs targeting the prevention of academic failure. ~~A program funded under this rider shall include outreach to educate a parent or guardian of a student on preparing the student for administration of an assessment instrument. The information provided to a parent or guardian under this rider must be available in Spanish.~~

From funds referenced in this rider and not to exceed ~~5 percent of expenditures for the program~~ \$250,000 in the 2014-15 biennium, the Texas Education Agency shall conduct an evaluation on the Student Success Initiative and produce a final report for the Eighty-fourth Legislature on the effectiveness and implementation of the program, to be delivered in January 2015 to the Governor, the Lieutenant Governor, the Speaker of the House, the Legislative Budget Board, and the presiding officers of the standing committees of the legislature with primary jurisdiction over public education.

Any unexpended balances as of August 31, 2014 are hereby appropriated to fiscal year 2015 for the same purpose.

Texas Education Agency
Proposed Rider
Special Education Monitoring

Prepared by LBB Staff, 05/15/2013

Overview

Modify Rider 66, Special Education Related Reporting to be renamed Special Education Monitoring to provide the Texas Education Agency more flexibility in implementing a report on special education.

Required Action

On page III-16, of the Texas Education Agency's bill pattern in Senate Bill 1, As Passed Second House, modify the following rider:

66. Special Education Monitoring Related Reporting. ~~From federal funds available for this purpose~~ Out of funds appropriated above, the Texas Education Agency (TEA) shall ensure an external review is conducted of all accountability, monitoring, and compliance systems related to special education will be non-duplicative, unified, and focus on positive results for students in order to identify areas of duplication including the feasibility of combining systems in order to ease the administrative and fiscal burden on districts. TEA shall solicit stakeholder input with regard to this effort. TEA shall issue a report to the Lieutenant Governor, Speaker of the House, the Legislative Budget Board, and the presiding officers of the standing committees of the legislature with primary jurisdiction over public education no later than January 12, 2015 regarding the agency's efforts in implementing the provisions of this rider. In the report, TEA shall include recommendations from stakeholders, whether these recommendations were adopted, and the reasons any recommendations were rejected. The review and corresponding recommendations for a streamlined and uniform system shall utilize a stakeholder group that includes representatives from the Texas Council of Administrators of Special Education as well as parents of students receiving special education services. During the 2014-15 biennium, no more than \$85,000 and no less than \$35,000 shall be expended to conduct the external review. The Commissioner shall submit a report to the Eighty-fourth Legislature by January 13, 2015 on the results and corresponding actions taken by the agency to address the recommendations.

Texas Education Agency
Proposed Funding and Rider
Southern Regional Education Board

Prepared by LBB Staff, 05/08/2013

Overview

Include a rider requiring TEA to pay \$193,000 in each fiscal year of the 2014-15 biennium to the Southern Regional Education Board out of funds previously appropriated to the agency.

Required Action

On page III-22 of the Texas Education Agency bill pattern, Senate Bill 1, Engrossed, add the following rider:

_____. **Southern Regional Education Board.** Out of funds appropriated above, the Texas Education Agency shall allocate funds for the purpose of paying membership fees to the Southern Regional Education Board, estimated to be \$193,000 per fiscal year.

Texas Education Agency
Proposed Funding and Rider
Contingency for Senate Bill 1458

Prepared by LBB Staff, 05/15/2013

Overview

Include a rider contingent on the passage of Senate Bill 1458 appropriating an additional \$330.0 million in General Revenue funds to the Texas Education Agency to be allocated to school districts in equal amounts per student in average daily attendance to assist with employer contributions for retirement to the Teacher Retirement System, newly implemented under the legislation.

Required Action

In the Texas Education Agency bill pattern in Senate Bill 1, Engrossed, add the following rider:

_____. **Contingency for SB 1458.** Contingent on passage and enactment of SB 1458, or similar legislation relating to contributions to, benefits from, and the administration of systems and programs administered by the Teacher Retirement System of Texas, by the Eighty-third Legislature, Regular Session, 2013, the Texas Education Agency is appropriated \$330,000,000 in fiscal year 2015 to Strategy A.1.1, FSP - Equalized Operations, from the General Revenue Fund for the purpose of making allocations to all school districts and charter schools in equal amounts per student in average daily attendance (ADA). It is the intent of the Legislature that these funds provide temporary one-time transition aid to public schools, if applicable, to assist with employer contributions for retirement to the Teacher Retirement System of Texas on behalf of eligible public school employees as required by the legislation, in its first year of implementation.

By: _____

Texas Education Agency
Proposed Funding and Rider
FitnessGram Program

Prepared by LBB Staff, 0516/2013

Overview

Include a rider for the Texas Education Agency to allocate \$5,000,000 in General Revenue funding for the purpose of administering the FitnessGram Program, contingent upon the Comptroller's certification of available General Revenue for the 2014-15 biennium above the Comptroller's January 2013 Biennial Revenue Estimate.

Required Action

(1) On page III-2 of the Texas Education Agency's bill pattern, contingent upon the Comptroller's certification of available General Revenue of \$5,000,000 for the 2014-15 biennium above the Comptroller's January 2013 Biennial Revenue Estimate, increase funding in Strategy B.2.2, Health and Safety, by \$4,500,000 in fiscal year 2014 and \$500,000 in fiscal year 2015 from General Revenue Funds for the purposes of physical fitness assessments and related analysis.

(2) On page III-19 of Texas Education Agency bill pattern, add the following new rider:

74. FitnessGram Program. Contingent upon the Comptroller's certification of available General Revenue of \$5,000,000 for the 2014-15 biennium above the Comptroller's January 2013 Biennial Revenue Estimate, from funds appropriated above in Strategy B.2.2, Health and Safety, the Commissioner of Education shall allocate \$4,500,000 in fiscal year 2014 and \$500,000 in fiscal year 2015 from General Revenue Funds for the purposes of physical fitness assessments and related analysis. Notwithstanding any other provision of this Act, no amount of this funding may be expended for any other purpose except as described in this rider.

Out of amounts appropriated above and allocated by this rider, the Texas Education Agency may expend an amount not to exceed \$4,000,000 to develop a database for use in managing and analyzing physical fitness assessment data provided by school districts, as required by § 38.104 of the Texas Education Code. All other funding directed by this rider shall be used to provide needs-based grants to school districts to support the administration of physical fitness assessments and related activities required by §§ 38.101 and 38.103 of the Texas Education Code.

Any unexpended balances as of August 31, 2014 are hereby appropriated to fiscal year 2015 for the same purpose.

Texas Education Agency
Proposed Rider
Steroid Testing, Online College and Career Preparation Technical Assistance Program, and
Reasoning Mind

Prepared by LBB Staff, 05/16/2013

Overview

Reduce funding for the steroid testing program at the Texas Education Agency (TEA) in Senate Bill 1, Engrossed, by \$300,000 to provide total funding for the program of \$1,000,000 in the 2014-15 biennium and modify TEA Rider 53. Steroid Testing, to reflect the funding decision.

Decrease funding by \$3,000,000 in the 2014-15 biennium for the Online College and Career Preparation Technical Assistance Program and modify TEA Rider 56, Online College and Career Preparation Technical Assistance Program to authorize the Texas Education Agency to utilize private or corporate sponsorship to provide financial support for the implementation of the program.

Increase funding for Reasoning Mind by \$2,250,000 in each fiscal year of the 2014-15 biennium from General Revenue Funds and modify TEA Rider 62, Reasoning Mind, to reflect the funding

Required Action

(1) On page III-2 of the Texas Education Agency's bill pattern in the Senate Bill 1, Engrossed, increase General Revenue funding to Strategy A.2.1, Statewide Educational Programs by \$1,250,000 in fiscal year 2014 and \$250,000 in fiscal year 2015.

(2) On page III-2 of the Texas Education Agency's bill pattern in Senate Bill 1, Engrossed, decrease General Revenue funding to Strategy B.2.2, Health and Safety, by \$150,000 in each fiscal year of the 2014-15 biennium

(3) On page III-17, of the Texas Education Agency's bill pattern in Senate Bill 1, Engrossed, modify the following rider:

56. Online College and Career Preparation Technical Assistance Program. Out of the funds appropriated above, the Texas Education Agency shall allocate ~~\$2,000,000~~\$1,000,000 in General Revenue for fiscal year 2014 ~~and \$2,000,000 in General Revenue for fiscal year 2015~~ ~~to continue~~ for the Online College and Career Preparation Technical Assistance Program. The program shall provide online college and career preparation assistance to students, parents, and high school counselors, and may utilize private or corporate sponsorship only as necessary to provide financial support for implementation of the program, provided that such sponsorship complies with applicable standards for advertising in a primary or secondary school campus. TEA shall solicit competitive bids for the contract associated with implementation of the program. The Commissioner shall create a list of qualified providers eligible to participate in the program during fiscal year 2014 and fiscal year 2015. The Texas Education Agency shall ~~continue to~~ implement the ~~pilot~~ program in collaboration with the Texas Higher Education Coordinating Board.

Any unexpended balances as of August 31, 2014 are hereby appropriated to fiscal year 2015 for the same purpose.

(4) On page III-17, of the Texas Education Agency's bill pattern in Senate Bill 1, Engrossed, modify the following rider:

53. Steroid Testing. From funds appropriated above in Strategy B.2.2, Health and Safety, ~~\$650,000~~ \$500,000 in General Revenue in each fiscal year of the 2014-15 biennium shall be used for the purpose of administering the statewide steroid testing program in accordance with Texas Education Code, § 33.091. Prior to expenditure of funds, the University Interscholastic League shall provide a report and implement resulting recommendations regarding the most cost-efficient method of effectively detecting steroid use allowed under current law.

Any unexpended balances as of August 31, 2014 are hereby appropriated for fiscal year 2015 for the same purpose.

(5) On page III-18, of the Texas Education Agency's bill pattern in Senate Bill 1, Engrossed, modify the following rider:

62. Reasoning Mind. From funds appropriated above in Strategy A.2.1, Statewide Educational Programs, the Commissioner shall allocated ~~\$2,250,000~~ \$4,500,000 in each fiscal year of the 2014-15 biennium to support the Reasoning Mind program.

Any unexpended balances as of August 31, 2014 are hereby appropriated for fiscal year 2015 for the same purpose.

By: _____

**Texas Education Agency
Proposed Funding and Rider
Contingency for SB 1718**

Prepared by LBB Staff, 0516/2013

Overview

Include a rider which appropriates an additional \$250,000 in General Revenue funding and 2.0 FTEs in each fiscal year for the purpose of implementing the provisions of Senate Bill 1718, contingent upon its passage and enactment.

Required Action

In the Texas Education Agency bill pattern of Senate Bill 1, Engrossed, of the Eighty-third Legislature, Regular Session, add the following new rider:

____. **Contingency for Senate Bill 1718.** Contingent on passage and enactment of Senate Bill 1718, or similar legislation relating to state interventions and sanctions against public school campuses with unacceptable performance and the establishment of the Texas Achievement School District for educating students at certain low-performing campuses, by the Eighty-third Legislature, Regular Session, 2013, the Texas Education Agency is hereby appropriated \$250,000 in General Revenue Funds in each fiscal year of the 2014-15 biennium to implement the provisions of the legislation. In addition, the "Number of Full-Time Equivalents (FTE)" indicated in the agency's bill pattern is hereby increased by 2.0 FTEs in each fiscal year.

By: _____

Texas Education Agency
Proposed Funding and Rider
Credits Against the Cost of Recapture

Prepared by LBB Staff, 0516/2013

Overview

Contingent upon receipt of payments made in fiscal year 2013 related to the method of calculating amounts related to measures undertaken to reduce property wealth per student under provisions of Texas Education Code, Chapter 41, the rider would appropriate funding to the Texas Education Agency for the purpose of providing a credit against the cost of recapture to certain school districts.

Required Action

Add the following new rider to the bill pattern for the Texas Education Agency, Senate Bill 1, 83rd Legislature, Regular Session:

_____. **Contingency Appropriation: Credits against the Cost of Recapture.** Contingent on the receipt of payments owed for fiscal year 2013 by a district described below under a payment agreement authorized by the commissioner of education and related to requirements to reduce property wealth pursuant to the provisions of Texas Education Code, Chapter 41, in addition to amounts appropriated above, the amount of \$758,578 is appropriated out of Foundation School Fund No. 193 (General Revenue Funds) to the Texas Education Agency, Strategy A.1.1., FSP - Equalized Operations, in each fiscal year of the 2014-15 biennium, and the commissioner of education shall use these funds as a credit against the cost of purchasing attendance credits for a district required to reduce its property wealth pursuant to the provisions of Texas Education Code, Chapter 41, for which the cost of attendance credits necessary to achieve the equalized wealth level under Chapter 41, Education Code, for the 2009-10 school year was determined based on Section 41.093(a)(2), Education Code, and in which the adopted maintenance and operations tax rate for the 2009 tax year was less than \$0.30. No credit against the cost of purchasing attendance credits shall be made to an eligible district unless payments owed for fiscal year 2013 under a payment agreement authorized by the commissioner of education are made in full.

By: _____

Texas Education Agency
Proposed Rider
Houston ISD and North Forest ISD Consolidation

Prepared by LBB Staff, 0516/2013

Overview

Add a rider expressing legislative intent regarding the consolidation of Houston Independent School District (ISD) and North Forest ISD.

Required Action

Add the following new rider to the bill pattern for the Texas Education Agency, Senate Bill 1, 83rd Legislature, Regular Session:

____. **Houston ISD and North Forest ISD Consolidation.** It is the intent of the Legislature that the commissioner of education shall collaborate with local officials and use all appropriate statutory authority to ensure an orderly and equitable transition in the consolidation of Houston Independent School District (ISD) and North Forest ISD.

ARTICLE III - AGENCIES OF EDUCATION
ISSUE DOCKET

Conference Committee on General Appropriations Bill

Agency/Item	<u>Senate</u>		<u>House</u>		Biennial Difference	Explanation
	2014	2015	2014	2015		
<p><u>SCHOOL FOR THE BLIND AND VISUALLY IMPAIRED</u></p> <p><u>Workgroup Rider and Program Additions.</u></p> <p>Contingency for SB 1457: Transfer of Maintenance Responsibilities for the Texas School for the Blind and Visually Impaired to the Texas Facilities Commission.</p>		III-19		III-19	ADOPT	<p>Add a new rider providing for the transfer of funds and FTEs from TSBVI to TFC contingent on enactment of legislation transferring responsibility for TSBVI facility maintenance to TFC.</p>
			See also Article XI-House Page XI-5			

Texas School for the Blind and Visually Impaired

Proposed Rider

Contingency for SB 1457

Transfer of Maintenance Responsibilities of Facilities for the Texas School for the Blind and Visually Impaired

to the Texas Facilities Commission

Prepared by LBB Staff, 05/13/2013

Overview

Contingent upon the passage of legislation, the rider would transfer maintenance responsibilities of Texas School for the Blind and Visually Impaired facilities to Texas Facilities Commission.

Required Action

On page III-23 of Senate Bill 1, Engrossed, in the bill pattern for the Texas School for Blind and Visually Impaired, add the following new rider:

_____ . Contingency for SB 1457: Transfer Maintenance Responsibilities from Texas School for the Blind and Visually Impaired to the Texas Facilities Commission. Contingent on passage and enactment of Senate Bill 1457, or similar legislation relating to management services for the physical facilities of the Texas School for the Blind and Visually Impaired, by the Eighty-third Legislature, Regular Session, 2013, modifying Education Code, Chapter 30, transferring the maintenance responsibilities for the Texas School for the Blind and Visually Impaired to the Texas Facilities Commission as provided by Government Code, Chapter 2165.

(a) the appropriation made above for Texas School the Blind and Visually Impaired in the amount of \$217,743 in fiscal year 2014 and \$326,614 in fiscal year 2015 from the General Revenue Fund is hereby transferred to the Texas Facilities Commission Strategy B.2.1, Facilities Operations; and

(b) the number of Full-Time Equivalent (FTE) for the 2014-15 biennium for the Texas School for the Blind and Visually Impaired is decreased by 4.8 in fiscal year 2014 and 7.2 in fiscal year 2015, and the number of Full-Time Equivalent (FTE) for the Texas Facilities Commission is increased by 4.8 in fiscal year 2014 and 7.2 in fiscal year 2015.

**ARTICLE III - AGENCIES OF EDUCATION
ISSUE DOCKET**

Conference Committee on General Appropriations Bill

Agency/Item	<u>Senate</u>		<u>House</u>		Biennial Difference	Explanation
	2014	2015	2014	2015		
<u>SCHOOL FOR THE DEAF</u>		III-23		III-23		
D.1.3 FACILITY CONSTRUCT., REPAIR & REHAB	\$ 707,680	\$ -	\$ 5,214,000	\$ -	\$ 4,506,320	<p>Senate provides \$707,680 in General Revenue for life and safety related repairs in the agency's repair and rehab strategy, and provides \$4,506,320 in Article IX for life and safety related repairs as a Priority (2a) with method-of-finance to be determined. (See also Article IX, Sec. 17.09.)</p> <p>House provides \$5,214,000 in General Revenue for campus repairs related to life and safety issues.</p>
			Add Contingency Rider for SB 1457 transferring certain facilities management funds to Texas Facilities Commission.			
			See also Article XI-House Page XI-5			

Texas School for the Deaf

Proposed Rider

Contingency for SB 1457

Transfer of Maintenance Responsibilities for the facilities of the Texas School for the Deaf to the Texas Facilities Commission

Prepared by LBB Staff, 05/13/2013

Overview

Contingent upon the passage of legislation, the rider would transfer maintenance responsibilities for facilities of the Texas School for the Deaf to the Texas Facilities Commission.

Required Action

On page III-26 of Senate Bill 1, Engrossed, in the bill pattern for the Texas School for Deaf, add the following new rider:

_____ . Contingency for SB 1457: Transfer Maintenance Responsibilities from Texas School for the Deaf to the Texas Facilities Commission. Contingent on passage and enactment of Senate Bill 1457, or similar legislation relating to management services for the physical facilities of the Texas School for the Deaf, by the Eighty-third Legislature, Regular Session, 2013, modifying Education Code, Chapter 30, transferring the maintenance responsibilities for the Texas School for the Deaf to the Texas Facilities Commission as provided by Government Code, Chapter 2165.

(a) the appropriations made above for Texas School for the Deaf in the amount of \$1,419,710 in 2014 and \$712,028 in fiscal year 2015 from the General Revenue Fund is hereby transferred to the Texas Facilities Commission Strategy B.2.1, Facilities Operations;

(b) appropriations made above in Strategy D.1.3, Facility Construction, Repair and Rehabilitation in the amount of \$4,506,320 in fiscal year 2014 from the General Revenue Fund is hereby transferred to the Texas Facilities Commission Strategy B.2.1, Facilities Operations, to be used for the sole purpose of repair or rehabilitation of buildings and facilities for the Texas School for the Deaf; and

(c) the number of Full-Time Equivalents (FTE) is decreased by 12.0 in each fiscal year of the 2014-15 biennium for the Texas School for the Deaf, and the number of Full-Time Equivalents (FTE) for the Texas Facilities Commission is increased by 12.0 in each fiscal year of the 2014-15 biennium.

If SB 1457 or similar legislation is not enacted by the Eighty-third Legislature, 2013, providing for the transfer of maintenance responsibilities for the Texas School for the Deaf to the Texas Facilities Commission, from amounts appropriated above \$5,926,030 in fiscal year 2014 and \$712,028 in fiscal year 2015 from the General Revenue Fund is allocated for the purpose of maintenance responsibilities and repair and rehabilitation of buildings and facilities of the Texas School for the Deaf, prioritizing repairs related to life and safety.

**ARTICLE III - AGENCIES OF EDUCATION
ISSUE DOCKET**

Conference Committee on General Appropriations Bill

Agency/Item	<u>Senate</u>		<u>House</u>		Biennial Difference	Explanation
	2014	2015	2014	2015		
<u>Special Provisions for the School for the Blind and Visually Impaired and School for the Deaf</u>		III-26		III-26		
No issues.						

**ARTICLE III - AGENCIES OF EDUCATION
ISSUE DOCKET**

Conference Committee on General Appropriations Bill

Agency/Item	<u>Senate</u>		<u>House</u>		Biennial Difference	Explanation
	2014	2015	2014	2015		
<u>TEACHER RETIREMENT SYSTEM</u>						The state contribution rate for public and higher education retirement assumes no annual payroll growth for public education and 2.0 percent growth for higher education.
A.1.1 TRS - PUBLIC EDUCATION RETIREMENT	\$ 1,323,211,286	\$ 1,405,336,453	\$ 1,377,961,397	\$ 1,377,961,396	\$ 27,375,054	Senate provides for a state contribution rate of 6.4 percent in fiscal year 2014 and 6.8 percent in fiscal year 2015. (See also Senate Rider #4, III-29, Rider Packet page III-16.) House provides for a state contribution rate of 6.6 percent in each year of the biennium. (See also House #4, III-29, Rider Packet page III-16.)

Agency/Item	Senate		House		Biennial Difference	Explanation
	2014	2015	2014	2015		
A.1.2 TRS - HIGHER EDUCATION RETIREMENT	\$ 242,869,437	\$ 268,250,367	\$ 256,603,736	\$ 260,861,466	\$ 6,345,398	Senate provides for a state contribution rate of 6.4 percent in fiscal year 2014 and 6.8 percent in fiscal year 2015. Specific to public community colleges, Senate provides General Revenue to fund 50 percent of the state contribution for public community college employees. (See also Senate Riders #4 and #12, III-29, Rider Packet page III-16.)
State Contribution to Teacher Retirement Program.	Rider 4 III-29 Rider Packet, page III-16 AS AMENDED		Rider 4 III-29 Rider Packet, page III-16			House provides for a state contribution rate of 6.6 percent in each year of the biennium. (See also House #4, III-29, Rider Packet page III-16.) Rider reflects the state contribution rate adopted for public education and higher education retirement.

Agency/Item	Senate		House		Biennial Difference	Explanation
	2014	2015	2014	2015		
Limitation on Retirement Contributions to Public Community/Junior Colleges.	Rider 12 III-29 Rider Packet, page III-16		Rider 12 III-29 Rider Packet, page III-16			<p>Senate includes rider to reflect policy decision to provide funding for public community colleges at 50 percent of the state contribution rate (6.4 percent for fiscal year 2014 and 6.8 percent for fiscal year 2015).</p> <p>House includes rider limiting the state contributions for retirement on behalf of the public junior college employees to the state contribution rate applied to each public junior college's unrestricted General Revenue (UGR) appropriation (6.6 percent for each year of the 2014-15 biennium).</p>
Enterprise Application Modernization FTE Exemption.			Rider 14 III-30 Rider Packet, page III-16			<p>House includes rider indicating that funds appropriated for the TRS Enterprise Application Modernization (TEAM) capital budget may be used for salaries and wages of TEAM-related FTEs. The rider also exempts TEAM-related FTEs from the calculation for reporting purposes.</p>

Agency/Item	Senate		House		Biennial Difference	Explanation
	2014	2015	2014	2015		
Settle-Up Dollars Directed to TRS-Care.			Rider 15 III-30 Rider Packet, page III-17 AS AMENDED			House adds a rider that funds contributions in excess of the state's actual statutory obligations for retirement and retiree-insurance be re-appropriated to the retiree health insurance trust fund.
<u>Workgroup Rider and Program Additions</u>						
Contingency for SB 1458, allowing for additional FTEs and administrative funding from the TRS Pension Trust Fund in FY2014					ADOPT	The rider would allow for additional FTEs and administrative funding from the TRS Pension Trust Fund in FY2014 to aid in the implementation of the bill and the communication of related benefits changes to TRS members.
Legislative Intent Relating to Retiree Health Insurance Programs					ADOPT	Workgroup adds rider expressing legislative intent that TRS not increase retiree health insurance premiums for the 2014-15 biennium.

Teacher Retirement System

Proposed Rider

Contingency for SB 1458

Prepared by LBB Staff, 05/13/2013

Overview

Amend the Teacher Retirement System rider establishing the state contribution rate to the Retirement Trust Fund to make the rate in fiscal year 2014 6.4 percent or, contingent on enactment of SB 1458, redirecting any funds appropriated in excess of the amounts required to meet the state's fiscal year 2013 obligations for TRS retirement and TRS-Care (settle up) for the purpose of increasing the state's contribution rate for retirement in fiscal year 2014 to a rate not to exceed 6.8 percent. Any funds available in excess of the amount required to fund a 6.8 percent contribution rate in FY2014 would be deposited to the TRS-Care Trust Fund.

Required Action

On page III-29 of the Teacher Retirement System bill pattern in Senate Bill 1, Engrossed, modify Rider 4 as follows:

4 State Contribution to the Teacher Retirement Program.

(a) The amounts specified above in A.1.1, TRS-Public Education Retirement, \$1,323,211,286 in fiscal year 2014 and \$1,405,336,452 in fiscal year 2015, and A.1.2, TRS-Higher Education Retirement, \$242,869,437 in fiscal year and \$268,250,367 in fiscal year 2015 are based on a state contribution of 6.4 percent of payroll in fiscal year 2014 and ~~6.7~~ 6.8 percent of payroll in fiscal year 2015, estimated.

(b) Contingent on passage and enactment of SB 1458, or similar legislation relating to contributions to, benefits from, and the administration of systems and programs administered by the Teacher Retirement System of Texas, by the Eighty-third Legislature, Regular Session, 2013, of General Revenue Funds appropriated for fiscal year 2013 in excess of the state's obligation for retirement contributions in A.1.1, TRS - Public Education Retirement, and A.1.2, TRS - Higher Education Retirement, and the state's obligation for contributions to Retiree Group Health Insurance (TRS-Care) in A.2.1, Retiree Health Statutory, any General Revenue Funds recovered by the state on a net basis through the process of settle up for fiscal year 2013, pursuant to Texas Government Code, Section 403.093(c), are appropriated to the TRS Pension Trust Fund Account No. 960 to increase the state contribution rate for retirement in fiscal year 2014 up to 6.8 percent. Any General Revenue Funds available through settle up on a net basis for fiscal year 2013 in excess of the amount required to provide for a state contribution rate of 6.8 percent in fiscal year 2014 are appropriated for deposit to the Texas Public School Retired Employees Group Insurance Trust Fund.

(c) Notwithstanding the state rate for retirement contributions established in subsection (a) above and contingent on passage and enactment of SB 1458, the state contribution rate for fiscal year 2014 shall be established at a rate not to exceed 6.8 percent of payroll or a lesser amount corresponding to the level of funding available for this purpose, but no less than 6.4 percent, as determined by the Teacher Retirement System. The Teacher Retirement System shall submit the state contribution rate determined under this subsection to the Legislative Budget Board and the Governor's Office for approval prior to expenditure of funds.

(d) Should SB 1458 fail to pass or be enacted, any General Revenue Funds recovered by the state on a net basis through the process of settle up for fiscal year 2013 are appropriated for deposit to the Texas Public School Retired Employees Group Insurance Trust Fund, and the state contribution rate shall be established at 6.4 percent of payroll for fiscal year 2014 and fiscal year 2015.

Teacher Retirement System

Proposed Rider

Contingency for SB 1458

Prepared by LBB Staff, 05/13/2013

Overview

Add a contingency rider that upon passage of legislation that modifies the current benefit structure of the TRS pension fund provides for additional funds and FTEs above the current cap if a finding of fact by the TRS Board of Trustees determines that additional resources and FTEs are necessary to implement the legislation and communicate the changes to affected members.

Required Action

On page III-29 of the Teacher Retirement System bill pattern in Senate Bill 1, Engrossed, add the following new rider:

____. Contingency for Senate Bill 1458: Contingent on the passage and enactment of SB 1458, or similar legislation relating to contributions to, benefits from, and the administration of systems and programs administered by the Teacher Retirement System of Texas, by the Eighty-third Legislature, Regular Session, 2013, making modifications to the benefit structure of the Teacher Retirement System, upon a finding of fact by the TRS Board of Trustees that additional resources are necessary to implement such modifications and communicate them to affected members, the Teacher Retirement System is appropriated such additional funds as approved by the Board from the Pension Trust Fund (960) for fiscal year 2014. Furthermore, additional Full-Time Equivalents (FTE) authorized by the Board pursuant to this rider shall be added to the FTE cap for fiscal year 2014 as established by this Act.

Teacher Retirement System

Proposed Rider

Prepared by LBB Staff, 05/13/2013

Overview

Amends the Teacher Retirement System rider 15 providing that appropriations in excess of the states statutory obligation for fiscal year 2014 is appropriated to the TRS-Care retiree insurance.

Required Action

On page III-30 of the Teacher Retirement System bill pattern in Senate Bill 1, as Passed 2nd House, amend the following rider:

15. Settle-Up Dollars Directed to TRS-Care. Any settle-up payments made in the fiscal year ending ~~August 31, 2014, or~~ August 31, 2015, from the Teacher Retirement System of Texas pension fund or from the TRS-Care program are appropriated to the TRS-Care program. Settle-up funds are all estimated General Revenue appropriations for ~~fiscal year 2013 and~~ fiscal year 2014 in excess of the state's actual statutory obligations for retirement and retiree insurance contributions, and those funds are re-appropriated to Retiree Health-Statutory Funds, for deposit to the Texas Public School Retired Employees Group Insurance Trust Fund.

Teacher Retirement System

Proposed Rider

Prepared by LBB Staff, 05/13/2013

Overview

Add rider to the Teacher Retirement System bill pattern indicating legislative intent that TRS not increase retiree premiums in the 2014-15 biennium.

Required Action

In the Teacher Retirement System bill pattern, Senate Bill 1, 83rd Legislature, Regular Session, add the following new rider:

__. **Legislative Intent Relating to Retiree Health Insurance Premiums.** It is the intent of the Legislature that the Teacher Retirement System Board of Trustees shall not increase retiree health insurance premiums for the 2014-15 biennium.

**ARTICLE III - AGENCIES OF EDUCATION
ISSUE DOCKET**

Conference Committee on General Appropriations Bill

Agency/Item	<u>Senate</u>		<u>House</u>		Biennial Difference	Explanation
	2014	2015	2014	2015		
<u>OPTIONAL RETIREMENT PROGRAM</u>						The state contribution rate assumes a 2.0 percent growth for higher education.
A.1.1 OPTIONAL RETIREMENT PROGRAM	\$ 126,841,684	\$ 128,617,342	\$ 127,898,687	\$ 130,102,333	\$ 2,541,994	<p>Senate provides for a state contribution rate of 6.4 percent in each fiscal year of the 2014-15 biennium. Senate provides General Revenue funding for 50 percent of the state contribution for public community college employees. (See also Senate Riders #2 and #5, III-30 and III-31, Rider Packet page III-18).</p> <p>House provides for a state contribution rate of 6.6 percent in each fiscal year of the 2014-15 biennium. House limits the state contribution for retirement for public community college employees to the state contribution rate applied to each public community college's unrestricted General Revenue (UGR) appropriation. (See also House Riders #2 and #5, III-31, Rider Packet page III-18).</p>
			HOUSE plus \$5,441,099, General Revenue, to reflect a 6.6% state contribution rate and General Revenue funding for 50 percent of the state contribution for public community college employees.			

Agency/Item	Senate		House		Biennial Difference	Explanation
	2014	2015	2014	2015		
State Contributions to Optional Retirement Program.	Rider 2 III-30 Rider Packet, page III-18		Rider 2 III-31 Rider Packet, page III-18			Rider reflects the state contribution rate adopted for higher education retirement.
Use of Local Funds for Supplementing the General Revenue Appropriation to the Optional Retirement Program.	Rider 3 III-31 Rider Packet, page III-18		Rider 3 III-31 Rider Packet, page III-18			Rider provides the maximum percentage of payroll rate that universities may supplement GR with local funds. Since the local supplement cannot result in a contribution rate exceeding 8.5 percent, the difference is attributable to the difference between adopted contribution rates for each chamber.
Limitation on Retirement Contributions to Public Community/Junior Colleges.	Rider 5 III-30 Rider Packet, page III-18 AS AMENDED		Rider 5 III-31 Rider Packet, page III-18			Senate includes rider to reflect policy decision to provide funding for public community colleges at 50 percent of the state contribution rate (6.4 percent for each year of the 2014-15 biennium). House includes rider limiting the state contributions for retirement on behalf of the public community college employees to the state contribution rate applied to each public community college's unrestricted General Revenue (UGR) appropriation (6.6 percent for each year of the 2014-15 biennium).

Optional Retirement Program

Proposed Rider

Prepared by LBB Staff, 05/15/2013

Overview

Amends the Optional Retirement Program rider 5 describing the methodology for determining state contributions for retirement for community college employees to reflect a 6.6 percent state contribution rate.

Required Action

In the Optional Retirement Program bill pattern in Senate Bill 1, Engrossed, amend the following rider:

5. Limitation on Retirement Contributions for Public Community and Junior Colleges. The limitation on General Revenue related funds appropriated for retirement contributions to 50 percent of the state contribution of ~~6.4~~ 6.6 percent of the total covered payroll for Public Community and Junior Colleges for each fiscal year for the Optional Retirement Program is contingent on the adoption of legislation restricting appropriations to the rates listed above in the manner described in this rider or retirement contributions to Public community/Junior Colleges.

Should legislation concerning this limitation on General Revenue related funds for retirement contributions to Public Community/Junior Colleges not be adopted, the limitations on General Revenue related funds for retirement contributions to Public Community/Junior Colleges shall revert to the methodology applied for purposes of calculating appropriations for Senate Bill 1, Introduced, 83rd Legislature, for the same purpose.