## Make the Teacher Retirement System (TRS) Fair to All Public Schools

## HB 3221 (Tepper) & SB 1128 (Middleton)

The Teacher Retirement System of Texas (TRS) manages pension funds for Texas public education employees, including those in public charter schools. Statute is clear that all public schools should be treated the same with respect to TRS contribution requirements.

## The **Problem**

The Teacher Retirement System is requiring public charter schools and some Districts of Innovation to make employer contributions **above and beyond** what is required of traditional ISDs.

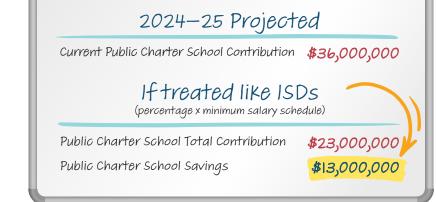
**Traditional ISDs** pay a percentage (the rate increases to 2% in 2024-25) on an employee's salary up to the state minimum salary schedule outlined in statute.



Public charter schools must contribute more. They pay the same percentage, <u>but up to the employee's</u> <u>full salary</u>. This also applies to Districts of Innovation that are exempt from the minimum salary schedule.

The Impact Public charter schools will contribute an estimated \$36 million in 2024-25, or about **\$13 million more** than if they were treated like traditional ISDs.







The solution is simple. Lawmakers need to update statute to ensure the Teacher Retirement System treats all public schools, including public charter schools and Districts of Innovation, equally.

•	ould have a truly minimal impact on the Teacher Reti I <b>while keeping critical dollars in public school class</b>	
		<b>\$4,724,752,190</b> FY24 TRS Member Contributions
\$13,000		
	Updating statute would impact the TRS by only and keep <b>\$13 million</b> in public school classro	

Zooming In AN EXAMPLE SCHOOL SYSTEM

Let's take two mid-sized public school systems with 150 teachers earning around the average statewide teacher salary of \$60,000:

	#TEACHERS	SALARY	AMOUNT SUBJECT TO CONTRIBUTION	REQUIRED CONTRIBUTION OF 2%	TOTAL SCHOOL SENDS TO TRS
ISD	150	\$60,000	<b>\$44,391</b> (Average from Minimum Salary Schedule*)	x0.02	<b>\$133,173</b> (\$888 per teacher)
Public Charter School or DOI	150	\$60,000	<b>\$60,000</b> (Full Salary)	x0.02	\$180,000 (\$1,200 per teacher)

If this public charter school or District of Innovation followed the same requirements as the ISD, it would keep nearly \$50k in the classroom.

## We aren't asking for anything special. We are asking for the same.

Questions? Contact research@txcharterschools.org

Sources: TAPR 2022-23 Staff Salary Data, TRS FY2024 Operating Budget \*This average minimum salary schedule calculation is weighted by statewide teacher experience

**\$46,827** 

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