

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.

HOWEVER...



Public charter schools must contribute more. They pay the same percentage, but up to the employee's full salary. 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.

\$13 million
more in contributions

2024-25 Projected	
Current Public Charter School Contribution	\$36,000,000
If treated like ISDs (percentage x minimum salary schedule)	
Public Charter School Total Contribution	\$23,000,000
Public Charter School Savings	\$13,000,000

The Solution

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.

Minimal Impact to TRS and Maximum Impact in the Classroom

This change would have a truly minimal impact on the Teacher Retirement System overall **while keeping critical dollars in public school classrooms.**



\$4,724,752,190

FY24 TRS Member Contributions

\$13,000,000

Impact of the Change

Updating statute would impact the TRS by only **0.28%** and keep **\$13 million** in public school classrooms.

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	\$44,391 (Average from Minimum Salary Schedule*)	x0.02	\$133,173 (\$888 per teacher)
Public Charter School or DOI	150	\$60,000	\$60,000 (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.**

\$46,827 MORE

**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.