

SUBJECT: Eliminating minimum salary schedule for certain public school employees

COMMITTEE: Government Efficiency and Reform — favorable, without amendment

VOTE: 4 ayes — Callegari, Cain, Harper-Brown, Zedler

2 nays — Lucio, Muñoz

1 absent — Frullo

WITNESSES: For — Jackie Lain, Julie Shields, Texas Association of School Boards; David Thompson, Texas Association of School Administrators; Clayton Trotter; (*Registered, but did not testify*: Amanda Brownson, Texas School Alliance; Andrew Kerr, Texans for Fiscal Responsibility; Annie Mahoney, Texas Conservative Coalition; Michael Sullivan, Empower Texans; Peggy Venable, Americans for Prosperity)

Against — Portia Bosse, Texas State Teachers Association; Brock Gregg, Josh Sanderson, Association of Texas Professional Educators; Lonnie Hollingsworth Jr., Texas Classroom Teachers Association; Chrisdya Houston, Alliance/American Federation of Teachers; Ted Melina Raab, Texas American Federation of Texas; (*Registered, but did not testify*: Elaine Blodgett; Charles Bradley; Vicki Clark-Bradley; Leslie Cunningham; Rene Lara, Texas AFL-CIO; Sonja O’Sullivan; Derrick Osobase, Texas State Employees Union; Margot Thornhill; Marjorie Wood)

BACKGROUND: **Minimum service requirement.** Education Code, sec. 21.401 requires a contract between a school district and an educator to be for a minimum of 10 months’ service. An educator under a 10-month contract must provide a minimum of 187 days of service, except as provided by the commissioner of education in the case of a disaster, flood, extreme weather conditions, fuel curtailment, or another calamity causing the closing of schools.

Minimum salary schedule. Education Code, sec. 21.402 requires a school district to pay each classroom teacher or full-time librarian, counselor, or school nurse a minimum monthly salary according to the minimum salary schedule, which is based on the employee’s years of

service and appropriations to the school finance system. Each employee advances one step on the minimum salary schedule for each year of experience until the maximum step is reached. For each year of work experience required for certification in a career or technological field, up to a maximum of two years, a certified career or technology education teacher is entitled to salary step credit as if the work experience was teaching experience. A district is required to credit the teacher, librarian, counselor, or nurse for each year of experience without regard to whether the years are consecutive.

TRS contributions. School districts are responsible for paying the portion of the state's contribution to the Teacher Retirement System (TRS) for the amount an employee earns above the minimum salary schedule.

DIGEST:

HB 17 would repeal the minimum salary schedule as the determinant of salaries for classroom teachers and full-time librarians, counselors, and nurses. The bill would require school districts to pay each classroom teacher, librarian, counselor, or nurse at least \$27,320 per year.

During a widespread reduction in the annual salaries paid to classroom teachers based primarily on financial conditions and not performance, the school district would have to reduce by equal percentages the teachers' salaries and the salaries paid to each district counselor, librarian, nurse, and school- or district-level administrator.

The commissioner of education would have to adopt rules for determining how an employee would be given credit for years of service in his or her service record, which the school district would have to maintain.

The bill would repeal Education Code, sec. 21.401, requiring a contract to cover at least 10 months and a teacher to provide a minimum of 187 days of service under the 10-month contract.

State contribution to TRS for existing members. The bill would maintain the current minimum salary schedule only for use in determining the state's contribution to TRS for current and future classroom teachers and full-time librarians, counselors, and nurses.

The Legislative Budget Board would be required to review and make recommendations regarding this provision every four years.

The bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect on the 91st day after the last day of the legislative session. The bill would apply beginning with the 2011-12 school year.

**SUPPORTERS
SAY:**

HB 17 would increase local control by relieving school districts of an arcane mandate that does not reflect economic reality. The bill would help districts balance their budgets efficiently and mitigate the impact of budget cuts. Granting school districts the flexibility to reduce teacher salaries and to implement furlough days would save teacher jobs.

School district employee compensation. The bill would allow school districts to set the salaries of teachers, counselors, nurses, and librarians according to job market conditions instead of state mandates. Current law does not allow a salary decrease from 2010-2011 school-year levels. The only legal way for a district to reduce its costs is by reducing personnel. Under current law, instead of reducing everyone's salaries a small amount, the district's only option is to eliminate positions, which could lead to larger class sizes in secondary grades or reduced services to students.

The bill would give school districts the flexibility to pay teachers and other employees based on performance, not just experience.

State contributions to TRS. Since the state's and the school districts' contributions to TRS for classroom teachers and full-time librarians, counselors, and nurses is based on the minimum salary schedule, it is necessary for it to remain in statute for this purpose only.

Sunset provisions. The bill should not include a Sunset provision because this would hurt a school district's ability to plan its future budget and human resources strategy.

**OPPONENTS
SAY:**

HB 17 would not save school districts money, nor would it help districts mitigate the effects of the budget crisis. The bill would not provide any possible savings until the next biennium at the earliest because teacher contracts already have been executed for the next school year and cannot be materially changed.

Some claim that the bill's provisions would save teacher jobs, but this is an incorrect assumption. There is no guarantee that the bill's provisions would be used prior to layoffs to save teacher jobs.

School district employee compensation. The minimum salary schedule should be maintained because it protects school employees and ensures baseline salaries and longevity increases.

Maintaining the minimum salary schedule and fiscal flexibility are not mutually exclusive. Slightly tweaking the statute — for instance, by deleting sec. 21.402(d), Education Code, which requires an employee's salary to remain at the 2010-2011 school-year level — would allow school districts to reduce teachers' and certain other employees' salaries, if necessary.

The bill instead would guarantee a permanent decrease in teacher salaries. The minimum salary schedule is tied to school finance formulas, so increasing that appropriation would increase baseline minimum salaries. When given the choice, school districts have decided not to spend money on teachers. The longevity increases afforded in the minimum salary schedule amount to cost-of-living increases for these employees. Without a mandatory increase in salary for longevity, periodic and deliberate cost-of-living increases would not occur.

The state already struggles to retain highly qualified teachers with proven track records of increasing student achievement. Decreasing teacher pay would exacerbate the problem. To attract the top students in the state to the teaching field, teacher salaries must compete with those of private sector jobs.

Some claim that the bill would allow school districts to supplement the compensation plan with incentive pay for teacher performance. That assumption does not address the lower salaries that counselors, librarians, and nurses would face. The state is too focused on incentive pay for teachers as the miracle solution for public education. Education research does not present compelling evidence that this approach makes any meaningful change to student performance. To improve student performance, the state should invest in teacher salaries and make the profession attractive to new college graduates.

The bill names a widespread reduction in the amount of salaries paid to classroom teachers as the trigger for a corresponding reduction in administrator salaries. The bill's failure to define "widespread" would render this requirement meaningless and would not guarantee an equitable reduction in pay for teachers and administrators.

State contribution to TRS for existing members. The bill no longer would tie the minimum salary schedule to the school finance system, which would mean the schedule amounts would not change. If these amounts did not increase and employee salaries increased over time, the school district's portion of the TRS contribution would increase disproportionately.

OTHER
OPPONENTS
SAY:

HB 17 should be temporary during the budget crisis and examined more closely in two to four years. The bill represents a panicked response to the current budget crisis that would not justify the elimination of a 70-year-old policy.

HB 17 would not explicitly grant school districts the ability to impose furloughs because the bill would not authorize school districts to lower teacher salaries according to days furloughed. The bill should be amended to explicitly permit furloughs and corresponding salary reductions.

NOTES:

The author intends to offer a complete floor substitute that would preserve the minimum salary schedule but would repeal sec. 402(d), Education Code, requiring an employee's salary to remain at the 2010-2011 school-year level, for the 2011-12, 2012-13, and 2013-14 school years. The provision would be reinstated on August 1, 2014.

The substitute would require that during a widespread reduction in the annual salaries paid to classroom teachers based primarily on financial conditions and not performance, the school district would have to reduce by equal percentages the teachers' salaries and the salary paid to each district administrator.

The substitute would permit the board of trustees of a school district to implement a furlough program and reduce the number of days of service otherwise required during a school year if the commissioner of education certified that the district would receive less state and local funding than it received in 2010-2011. A school district could not reduce the number of service days by more than six. A school district could reduce the salary of a furloughed employee in proportion to the number of days by which service was reduced.

The school district would have to subject all contract personnel to the same number of furlough days. An educator could not be furloughed on an instruction day and could not use personal, sick, or any other paid leave

while on furlough. The furlough program could not increase the number of required teacher workdays.

A furlough imposed by the school district would not constitute a break in service for the purposes of TRS. If a school board of trustees adopted a furlough program after the date by which a teacher had to give notice of his or her resignation, the teacher who resigned would not be subject to the applicable sanctions authorized by the Education Code.

A decision by the board of trustees of a school district to implement a furlough program would be final, could not be appealed, and would not create a cause of action or require collective bargaining.

The board of trustees of a school district would have to include the district's professional staff in the process of developing a furlough program or other salary reduction proposal and would have to hold a public meeting allowing district employees to express opinions. At the public meeting, the board and school district administrators would have to present the options considered for managing the district's resources, explain how the implementation of a furlough program would limit employee terminations or nonrenewal of contracts, and state the number of specific furlough days.

The substitute would include the same effective dates as those provided in HB 17.